# Economic Trends

ARTICLES

UK Balance of payments: preliminary figures for the fourth quarter of 1986

The Budget: 17 March 1987

The economy: recent developments and prospects to mid-1988

No 401
March 1987

## Release dates of economic statistics to be published in April 1987

This is issued by the Central Statistical Office on behalf of the Government Statistical Service and other organisations as a guide to the publication dates of major economic series in April 1987. The dates are targets which are correct at time of going to press. Exceptionally, there may be delays due to unavoidable statistical problems. Enquiries about release of individual series should be made to the source named.

| Publication date | Series | Method of release | Source |
|---|---|---|---|
| **April** | | | |
| *Wed 1* | Advance energy statistics (February) | PN | Dept. of Energy |
| *Thurs 2* | Capital issues and redemptions (March) | PN | Bank of England |
| | UK official reserves (March) | PN | HMT |
| *Fri 3* | Housing starts and completions (February) | PN | DOE |
| *Mon 6* | Credit business (February) | PN | DTI |
| | Retail Sales (February-final) | PN | DTI |
| *Thurs 9* | Provisional figures of vehicle production (March) | PN | DTI |
| | Detailed analysis of employment, unemployment, earnings, prices and other indicators (April) | EG | DE |
| *Fri 10* | Tax and price index (March) | PN | CSO |
| | Finished steel consumption and stock charges (4th quarter-final) | British business | DTI |
| | Usable steel production (March) | PN | BSC/BISPA |
| | Retail prices index (March) | PN | DE |
| | Quarterly analysis of bank advances (mid-February) | PN | Bank of England |
| *Sun 12* | National Savings monthly progress report (March) | PN | Dept. for National Savings |
| *Mon 13* | Producer price index numbers (March-provisional) | PN | DTI |
| *Tues 14* | Index of output of the production industries (February) | PN | CSO |
| *Wed 15* | Cyclical indicators for the UK economy (March) | PN | CSO |
| | Institutional Investment (4th quarter) | PN | Bank of England |
| | Labour market statistics: unemployment and unfilled vacancies (March-provisional); average earnings indices (February-provisional), employment, hours, productivity and unit wage costs; industrial disputes | PN | DE |
| | Index of production and construction for Wales (4th quarter) | PN | Welsh Office |
| *Thurs 16* | Public sector borrowing requirement (March) | PN | HMT/CSO |
| | CBI/FT survey of distributive trade (end-March) | PN | CBI |
| *Wed 22* | London and Scottish banks' monthly statement (March) | PN | CLSB |
| | Provisional estimates of monetary aggregates (March) | PN | Bank of England |
| | Building societies' monthly figures (March) | PN | BSA |
| *Tues 28* | Balance of payaments current account and overseas trade figures (March) | PN | DTI/CSO |
| | CBI Industrial Trends survey (2nd quarter) | PN | CBI |
| *Wed 29* | Retail sales (March-provisional) | PN | DTI |
| | New vehicle registrations (March) | PN | DTp |
| | Quarterly house purchase finance statistics* (1st quarter) | PN | CLSB |
| | Construction - new orders (February) | PN | DOE |
| | Bricks and cement production and deliveries (1st quarter-provisional) | PN | DOE |
| *Thurs 30* | Preliminary estimate of consumers' expenditure (1st quarter-provisional) | PN | CSO |
| | Energy Trends (Febraury) | PN | Dept. of Energy |

PN = Press Notice

# Economic Trends

No 401
March 1987

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# Introduction

*Economic Trends* brings together all the main economic indicators. It contains three regular sections of tables and charts illustrating trends in the UK economy:

'Latest developments' presents the most up-to-date statistical information available during the month. It is important to note that data included in this section may not be wholly consistent with other sections which have gone to press earlier.

The main section is based on information available to the CSO on the data printed at the foot of this page and shows the movements of the key economic indicators. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base year for convenience of comparison.

The section on cyclical indicators shows the movements of four composite indices over 20 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle, and a short note describes their most recent movements. The February, May, August and November issues carry further graphs showing separately the movements in all of the 22 indicators which make up the composite indices.

In addition, quarterly articles on the national accounts appear in the January, April, July and October issues, and on the balance of payments in the March, June, September and December issues. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology.

*Economic Trends* is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

**Notes on the tables**

1. The statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.
2. Some data, particularly for the latest time period, are provisional and may be subject to revision in later issues.
3. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.
4. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.
5. 'Billion' denotes one thousand millions.
6. There may sometimes be an inconsistency between a table and the corresponding chart, because the data may be received too late to update the chart. In such cases it should be assumed that the table is correct.
7. Symbols used.
   - .. not available
   - \- nil or less than half the final digit shown
   - \+ alongside a heading indicates a series for which measures of variability are given on page 71
   - † indicates that the data has been revised since last issue; the period marked is the earliest in the table to have been revised.

**The Editor would welcome readers' suggestions for improvements to Economic Trends**

*Central Statistical Office, 27 March 1987*

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# Latest developments in the economy[1]

*Data available at 30 March 1987*

## Companies: company liquidity survey

The liquidity of large industrial and commercial companies, as estimated by the Department of Trade and Industry survey, fell sharply in the fourth quarter of 1986. This brought liquidity back to the level of the trough at the end of the first quarter of 1985. By industrial sector it fell from 80 at the end of the third quarter to 71 at the end of the fourth quarter for manufacturing companies, from 196 to 186 for oil companies, and for other non-manufacturing companies it fell from 138 to 110 during the period, the lowest since the second quarter of 1984.

## Official reserves and exchange rate (not seasonally adjusted)

The UK official reserves rose by $305 million in February to $22,257 million. Accruals of borrowing under the exchange cover scheme amounted to $36 million; repayments of such borrowing amounted to $16 million. Capital repayments on assignments to HMG of other public sector debt taken out under the exchange cover scheme amounted to $2 million.

Up to 27 March the average Exchange Rate Index for March was 4.2 per cent higher than that in February.

## Capital expenditure

The revised estimate of capital expenditure by the manufacturing, construction, distribution and financial industries in the fourth quarter of 1986 is £4,695 million, at 1980 prices, over 1 per cent higher than in the preceding quarter, but almost 3 per cent lower than in the fourth quarter of 1985. Expenditure by these industries in 1986 as a whole was almost 2 per cent lower than in 1985 which was the highest level recorded.

The revised estimate of manufacturers' investment in the fourth quarter of 1986 (taking into account leasing of assets to manufacturers from the financial industries) is £1,543 million, nearly 5 per cent lower than in the previous quarter and just over 12 per cent lower than in the fourth quarter of 1985. The volume of investment in 1986 as a whole was 5 per cent lower than in 1985. On the same annual basis of comparison, expenditure on individual assets increased by almost 2½ per cent for new building work but fell by 8 per cent for vehicles and by 6 per cent for plant and machinery.

The revised estimate of investment by construction, distribution and financial industries (excluding leasing to manufacturers) in the fourth quarter of 1986 is £3,152 million, 4½ per cent higher than in the preceding quarter, and 2½ per cent higher than in the fourth quarter of 1985. The volume of investment in 1986 as a whole was virtually the same as in 1985. On the same annual basis of comparison, expenditure on individual assets rose by over 3 per cent for new building work and by almost 1 per cent for plant and machinery, but fell by over 7 per cent for vehicles.

## Unemployment and vacancies

The level of unemployment in the UK (excluding school leavers) decreased by 44,000 in the month to February, to 3.074 million, 11.1 per cent of the working population. The latest figures continue to show a downward trend. Over the past six months on average, unemployment has fallen by 24,200 per month.

The stock of unfilled vacancies at jobcentres (excluding Community Programme vacancies) decreased by 3,200 in the month to February to 207,100. Over the past three months to February, vacancies have decreased on average by 2,700 per month.

## Employment

The number of employees in employment in manufacturing industries in Great Britain is estimated to have decreased by 22,000 in January 1987. The average decrease of 8,000 per month over the three months ended January compares with 6,000 per month in the previous three months and with 7,000 per month in the three months ending January 1986.

The employed labour force in Great Britain is estimated to have increased by 59,000 in the third quarter of 1986. This compares with increases of 32,000 in the second quarter and 27,000 in the third quarter of 1985.

## Earnings

The whole economy index of average earnings of employees in Great Britain in January was 192.8 (January 1980=100), an increase of 0.8 per cent over December and 7.6 per cent higher than in January 1986. The underlying increase in average weekly earnings in the year to January was about 7¼ per cent, slightly below the increase in the year to December 1986. The decline in the underlying increase reflects the reduced significance of bonus payments in January compared with December. The actual increase in the year to January was similar to the underlying increase with the following temporary factors largely offsetting each other:- teachers had been paid two setlements in the twelve month period because of the delay in reaching the April 1985 settlement, inflating the increase; on the other hand, industrial action in January 1987 in the transport and communication sector reduced average earnings, depressing the actual increase.

In production industries, the underlying increase in average weekly earnings in the year to January was about 7¼ per cent, slightly below the increase in the year to December; in manufacturing industries the increase was also about 7¼ per cent, slightly below the increase in the year to December. The reduction in these underlying increases reflects the effect of bonus payments described above.

## Productivity

Manufacturing output per head in the three months to January was 0.6 per cent higher than in the previous three months and 4.5 per cent higher than in the same period a year earlier. The latest estimates of output per head in the whole economy show an increase of 1.1 per cent between the second and third quarters of 1986 and an increase of 3.2 per cent between the third quarters of 1985 and 1986.

## Unit wage and salary costs

In the three months ending January, wages and salaries per unit of output in manufacturing industries were 3.3 per cent above the corresponding period a year earlier. For the whole economy they were 4.3 per cent higher in the third quarter of 1986 than in the corresponding period a year earlier.

## Financial aggregates (not seasonally adjusted except where indicated)

Preliminary information suggests that, in the twelve months to end-February, M0 rose by 4 to 4¼ per cent and £M3 rose by 18¾ to 19 per cent. In February, M0 fell by about 1¼ per cent and £M3 rose by about £2.9 billion or 1¾ to 2 per cent, before seasonal adjustment. After seasonal adjustment, M0 fell by ¾ to 1 per cent and £M3 rose by about 2¼ per cent.

In February, the PSBR was about minus £0.3 billion. The non-bank private sector's holdings of public sector debt fell by about £0.4 billion; external flows from the public sector were about £0.1 billion. The public sector contribution to the growth in £M3 was therefore about flat. Bank lending grew by about £2.9 billion after seasonal adjustment, compared with an average of about £2.6 billion a month (seasonally adjusted) over the preceding six months.

## Gross Domestic Product

Provisional estimates of the average measure of gross domestic product at constant factor cost, GDP(A), for the fourth quarter of 1986 suggest that the level of economic activity was over ¼ per cent higher than in the third quarter and about 3¼ per cent higher than in the corresponding quarter a year earlier.

1. All data are seasonally adjusted unless otherwise stated. In most cases estimates are provisional and subject to revision.

## Output

The output measure of gross domestic product, GDP(O), rose by almost ¼ per cent between the third and fourth quarters of 1986, following the substantial increase of about 1¼ per cent between the second and third quarters. In the fourth quarter it stood about 3 per cent above its level of a year earlier. Output of the production industries fell by ¼ per cent between the third and fourth quarters, an increase of 1¼ per cent in manufacturing being offset by a fall in extraction of oil and gas. Output of the service industries grew by almost 1 per cent between the third and fourth quarters.

In the three months to January, output of the production industries was ¼ per cent lower than in the previous three months but 1¼ per cent higher than in the same period a year earlier. Manufacturing output in the latest three months was ¼ per cent higher than in the previous three months and 2 per cent higher than in the same period a year earlier. The output of the energy sector in the latest three months was 3¼ per cent lower than in the previous three months and ¼ per cent lower than in the same period a year earlier.

## Consumers' expenditure

The provisional estimate of the volume of retail sales in February was 125.0 (1980=100). This is similar to the average level in the fourth quarter of 1986 although well above the January index which was depressed by the effects of the severe weather. In the three months December to February, the level of sales was little changed from that in the previous three months but was nearly 6 per cent higher than in the corresponding period a year earlier.

Consumers' expenditure at constant prices in the fourth quarter of 1986 was unchanged from the third quarter but nearly 4¼ per cent higher than in the same period a year earlier. In the latest quarter expenditure on most categories of retail goods continued to grow strongly but that on vehicles, food and energy fell.

## Prices (not seasonally adjusted)

Both the Retail Prices Index (RPI) and the Tax and Price Index (TPI) have been rereferenced this month to January 1987=100. The RPI for February was 100.4, an increase of 0.4 per cent on January and an increase of 3.9 per cent on February 1986. The rise in the index between January and February was mainly the result of higher prices for petrol, fresh vegetables, cars and car maintenance. The TPI for February was 100.5, 2.7 per cent higher than in February 1986.

The price index for materials and fuel purchased by manufacturing industry fell by 1.7 per cent between January and February, mainly because of a seasonal fall in industrial electricity costs. The index fell by 2.9 per cent in the twelve months ended February after having fallen by 2.3 per cent in the twelve months ended January. The seasonally adjusted index was unchanged between January and February.

The price index for home sales of manufactured products rose by 0.3 per cent between January and February. The increase in the index measured over a twelve month period was little changed in February at 4.2 per cent as compared with 4.3 per cent in January.

## Stockbuilding

Revised figures indicate that the level of stocks held by UK industry rose by about £395 million at 1980 prices in the fourth quarter of 1986. There were increases in stocks in the wholesaling and retailing industries of around £120 million and £165 million respectively, whereas manufacturers reduced their stocks by about £100 million. The level of stocks in the energy and water supply industries and in other industries rose by about £150 million and £60 million respectively.

Within manufacturing, stocks of materials and fuel were reduced by about £100 million, while the increase in the stocks of work in progress of about £50 million was almost exactly offset by the fall in the stocks of finished goods. The stock/output ratio fell from 89.6 at the end of September to 88.1 at the end of December and now stands at its lowest level since 1973.

## Companies: appropriation account, capital account and financial transactions

Provisional estimates suggest that, after deducting stock appreciation, profits of industrial and commercial companies were little changed between the third and fourth quarters of 1986. Gross trading profits (net of stock appreciation) of North Sea oil companies rose by 27½ per cent, reflecting an increase in the sterling price of oil. However North Sea oil companies' profits in the latest quarter were still some 60 per cent lower than at their peak of two years earlier. Gross trading profits of non-North Sea industrial and commercial companies' fell back slightly in the fourth quarter of 1986 but were 11 per cent higher than in the corresponding quarter of 1985. However, British Gas is included in the industrial and commercial companies figures only since its privatisation on 3 December 1986; this distorts comparisons between figures for the latest quarter and those for earlier periods.

After deducting stock appreciation, the undistributed income of UK industrial and commercial companies is estimated to have fallen by 10 per cent between the third and fourth quarters of 1986. There was a corresponding fall in total receipts on their capital account.

Provisional estimates show a further increase in investment abroad by UK industrial and commercial companies in the fourth quarter of 1986, reflecting a continued high level of direct investment in companies in the United States of America. Industrial and commercial companies' borrowing from UK banks rose strongly in the fourth quarter of 1986 bringing the total increase in the year to £5 billion. Borrowing from other sources also rose strongly - by £10½ billion - in the latest year. Alongside this there was a £11½ billion increase in liquid financial assets (mainly deposits with banks).

## Balance of payments

The current account for February is estimated to have been in surplus by £376 million compared with a surplus of £73 million in January. In the three months ended February 1987, the current account showed a surplus of £0.2 billion, compared with a deficit of £0.7 billion in the previous three months. There was a deficit on visible trade of £1.6 billion compared with a deficit of £2.5 billion in the previous three months. The surplus on invisibles in the latest three months is projected at £1.8 billion.

There was a deficit on visible trade in February of £224 million compared with a deficit of £527 million in January. Exports in February were 12 per cent higher than in January. It now seems clear that the exceptional weather conditions in January reduced the value of exports for that month and there has been an element of catching up in the February figures. Excluding oil and the erratic items, exports increased by 13 per cent between January and February. Imports in February were 6½ per cent higher than in January. Although this represents a recovery from the low January level, the strength of that recovery was by no means as great as for exports. It is possible that there is still some catching up from the bad weather to come but it now seems likely that the value of imports has fallen somewhat from the high levels at the end of last year. Excluding oil and the erratic items imports were 5½ per cent higher than in January.

By volume, exports grew by 2 per cent in the latest three months to a level 10 per cent higher than in the same period a year earlier. Excluding oil and the erratic items exports grew by 2 per cent in the latest three months. The growth in the underlying level of export volume appears to have continued into February.

By volume, imports fell by 3 per cent in the latest three months but were 11 per cent higher than in the same period a year ago. Excluding oil and the erratic items, import volume fell by 2½ per cent in the latest three months. The latest figures suggest that the underlying level of non-oil import volume may have stabilised in recent months.

## Selected monthly indicators (1)

| | | Seasonally adjusted | | | | | | Unadjusted | | | | Seasonally adjusted | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1980=100 | 1980=100 | Thousands | | January 1980=100 | 1980=100 | January 1974=100 | January 1978=100 | 1975=100 | $ billion | £ million | |
| | | Volume of retail sales GB(2,3,4)* | Total production industries | Unemployment (5,6)* | Vacancies (7,8,9)* | Average earnings -whole economy: GB(10) | Producer price of materials and fuel(11) | Retail price index (all items)(12) | Tax and price index | Sterling exchange rate index | UK official reserves(13) | Balance of payments: Current balance | Money stock £M3 |
| | | FAAM | DVIM | BCJD | DPCB | DNAB | DZDQ | CBAB | BSAA | AJHT | FOAB | AIMF | AGBC |
| 1985 | D | 117.4 | 107.1 | 3 132.5 | 163.5 | 178.1 | 132.2 | 378.9 | 192.4 | 79.1 | 15.5 | 528 | 126 220 |
| 1986 | J | 117.3 | 108.2† | 3 153.2 | 162.8 | 179.1 | 131.6 | 379.7 | 192.9 | 76.6 | 15.6 | 1 002 | 128 422 |
| | F | 117.5 | 109.8 | 3 180.9 | 167.2 | 180.0 | 130.2 | 381.1 | 193.7 | 74.2 | 15.8 | 212 | 129 754 |
| | M | 119.7 | 109.1 | 3 198.6 | 169.5 | 182.5 | 128.2 | 381.6 | 194.0 | 74.6 | 16.8 | -455 | 134 536† |
| | A | 119.3 | 110.8 | 3 200.2 | 170.2 | 185.3 | 125.6 | 385.3 | 192.5 | 76.3 | 19.0 | 363 | 135 653 |
| | M | 118.5 | 109.2 | 3 205.4 | 172.1 | 182.6 | 126.6 | 386.0 | 192.9 | 76.1 | 19.2 | -57 | 140 043 |
| | J | 121.7 | 107.7 | 3 219.8 | 184.4 | 183.9 | 125.4 | 385.8 | 192.8 | 75.9 | 19.2 | 6 | 141 220 |
| | J | 120.9 | 110.2 | 3 224.0 | 193.2 | 186.3 | 122.2 | 384.7 | 192.1 | 74.0 | 19.1 | 92 | 142 374 |
| | A | 122.0 | 111.1 | 3 219.0 | 201.1 | 187.0 | 123.4 | 385.9 | 192.9 | 71.4 | 18.9 | -632 | 142 827 |
| | S | 123.2 | 110.6 | 3 192.6 | 206.4 | 187.1 | 125.0 | 387.8 | 194.0 | 70.4 | 22.4 | -80 | 147 248 |
| | O | 123.2 | 110.0 | 3 166.2 | 212.6 | 188.7 | 126.4 | 388.4 | 194.3 | 67.8 | 22.0 | -115 | 147 399 |
| | N | 126.4 | 110.1 | 3 144.6 | 215.2 | 190.2 | 127.1 | 391.7 | 196.3 | 68.5 | 22.0 | -400 | 149 282 |
| | D | 125.0 | 109.4 | 3 119.1 | 210.0 | 191.3 | 126.6† | 393.0 | 197.1 | 68.5 | 21.9† | -287 | 150 299 |
| 1987 | J | 122.8† | 109.8 | 3 118.0† | 210.3 | 192.8† | 127.1 | 394.5 | 198.0 | 68.9 | 21.9 | 73 | 151 846 |
| | F | 125.0 | | 3 073.9 | 207.1† | | 127.1 | 396.1† | 198.9 | 69.0† | 22.3 | | |
| | | Percentage change, latest three months on previous three months | | | | | | | | | | | |
| 1985 | D | 0.5 | -0.1 | 0.1 | 2.4 | 1.3 | -1.8 | 0.5 | .. | -2.8 | .. | | |
| 1986 | J | 1.4 | -0.4 | 0.3 | -0.7 | 1.8 | -1.8 | 0.6 | .. | -3.2 | .. | | |
| | F | 1.2 | -0.7 | 1.0 | -2.1 | 2.1 | -1.9 | 0.7 | .. | -4.9 | .. | | |
| | M | 1.8 | 0.9 | 1.6 | -0.5 | 2.6 | -2.2 | 0.7 | .. | -5.9 | .. | | |
| | A | 1.3 | 1.6 | 1.7 | 2.4 | 2.8 | -3.0 | 1.0 | .. | -4.5 | .. | | |
| | M | 1.5 | 1.0 | 1.7 | 3.7 | 2.5 | -3.1 | 1.2 | .. | -1.3 | .. | | |
| | J | 1.5 | -0.1 | 1.2 | 5.4 | 1.8 | -2.7 | 1.3 | .. | 1.3 | .. | | |
| | J | 1.3 | -1.3 | 0.9 | 8.5 | 0.9 | -2.9 | 0.7 | .. | 0.4 | .. | | |
| | A | 1.9 | -0.3 | 0.6 | 13.1 | 1.2 | -3.2 | 0.3 | .. | -2.5 | .. | | |
| | S | 1.8 | 1.5 | 0.1 | 14.1 | 1.6 | -2.2 | 0.1 | .. | -5.5 | .. | | |
| | O | 2.0 | 1.7 | -0.7 | 12.8 | 1.8 | 0.3 | 0.5 | .. | -6.8 | .. | | |
| | N | 2.1 | 0.7 | 1.6 | 9.6 | 1.6 | 0.4 | 1.0 | .. | -6.2 | .. | | |
| | D | 2.2 | -1.0 | -2.2 | 6.2 | 1.8 | 0.3 | 1.3 | .. | -5.1 | .. | | |
| 1987 | J | 1.4 | 0.8 | -2.0 | 2.5 | 2.0 | -1.5 | 1.5 | .. | -1.8 | .. | | |
| | F | -0.2 | | -2.0 | -1.1 | | 0.7 | 1.3 | .. | -2.0 | .. | | |
| | | Percentage change, latest three months on corresponding period of previous year | | | | | | | | | | | |
| 1985 | D | 3.5 | 5.2 | 2.2 | 9.3 | 7.8 | -5.4 | 5.5 | 4.2 | 6.3 | .. | | |
| 1986 | J | 3.7 | 4.2 | 2.3 | 7.1 | 8.8 | -6.4 | 5.6 | 4.3 | 6.6 | .. | | |
| | F | 3.3 | 3.2 | 2.3 | 6.3 | 8.4 | -8.0 | 5.4 | 4.3 | 6.0 | .. | | |
| | M | 4.1 | 2.2 | 2.7 | 7.1 | 8.3 | -9.6 | 4.9 | 3.8 | 4.3 | .. | | |
| | A | 4.8 | 2.1 | 2.7 | 7.0 | 8.4 | -10.2 | 4.1 | 2.7 | 1.1 | .. | | |
| | M | 4.3 | 0.7 | 2.9 | 6.5 | 8.3 | -9.8 | 3.3 | 1.7 | -1.4 | .. | | |
| | J | 4.4 | -0.2 | 2.9 | 8.2 | 8.0 | -8.9 | 2.8 | 0.9 | -3.5 | .. | | |
| | J | 4.2 | -0.1 | 3.1 | 13.1 | 8.0 | -6.9 | 2.6 | 0.6 | -6.6 | .. | | |
| | A | 4.8 | 1.0 | 3.2 | 18.8 | 8.1 | -9.0 | 2.5 | 0.5 | -9.6 | .. | | |
| | S | 5.2 | 2.0 | 2.9 | 22.6 | 7.4 | -8.8 | 2.6 | 0.8 | -12.4 | .. | | |
| | O | 6.0 | 1.6 | 2.2 | 24.5 | 7.4 | -7.9 | 2.8 | 1.1 | -13.9 | .. | | |
| | N | 7.0 | 0.9 | 1.6 | 25.8 | 7.5 | -6.7 | 3.2 | 1.6 | -15.7 | .. | | |
| | D | 7.0 | 0.9 | 0.6 | 27.1 | 8.0 | -4.5 | 3.4 | 2.1 | -13.5 | .. | | |
| 1987 | J | 6.1 | 1.4 | -0.2 | 28.4 | 7.7 | -4.2 | 3.7 | 2.4 | -12.8 | .. | | |
| | F | 5.8 | | -1.4 | 27.1 | | -3.4 | 3.9 | 2.6 | -10.3 | .. | | |

1 Data given may not be wholly consistent with that shown elsewhere in the publication.
2 This index is given to one decimal place but this does not imply that it can be regarded as accurate to the last digit shown.
3 Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods.
4 The retail sales index has been rebased using detailed information for 1982.
5 Unemployed excluding school leavers.
6 See footnote 2 on page 38.
7 Vacancies notified to job centres. Figures were distorted in April and May 1985 due to a change in administrative arrangements leading to an artificial increase in April. Figures for May should be minimally affected.
8 See footnote 7 on page 38. 9 See footnote 8 on page 38.
10 The seasonal adjustment factors currently used are based on data up to December 1982.
11 Purchased by manufacturing industry. (Revised definition)
12 The index has been rebased to January 1987 = 100. The February figure on this base is 100.4. The revised series will appear in the next issue.
13 See footnote 2 on page 50.

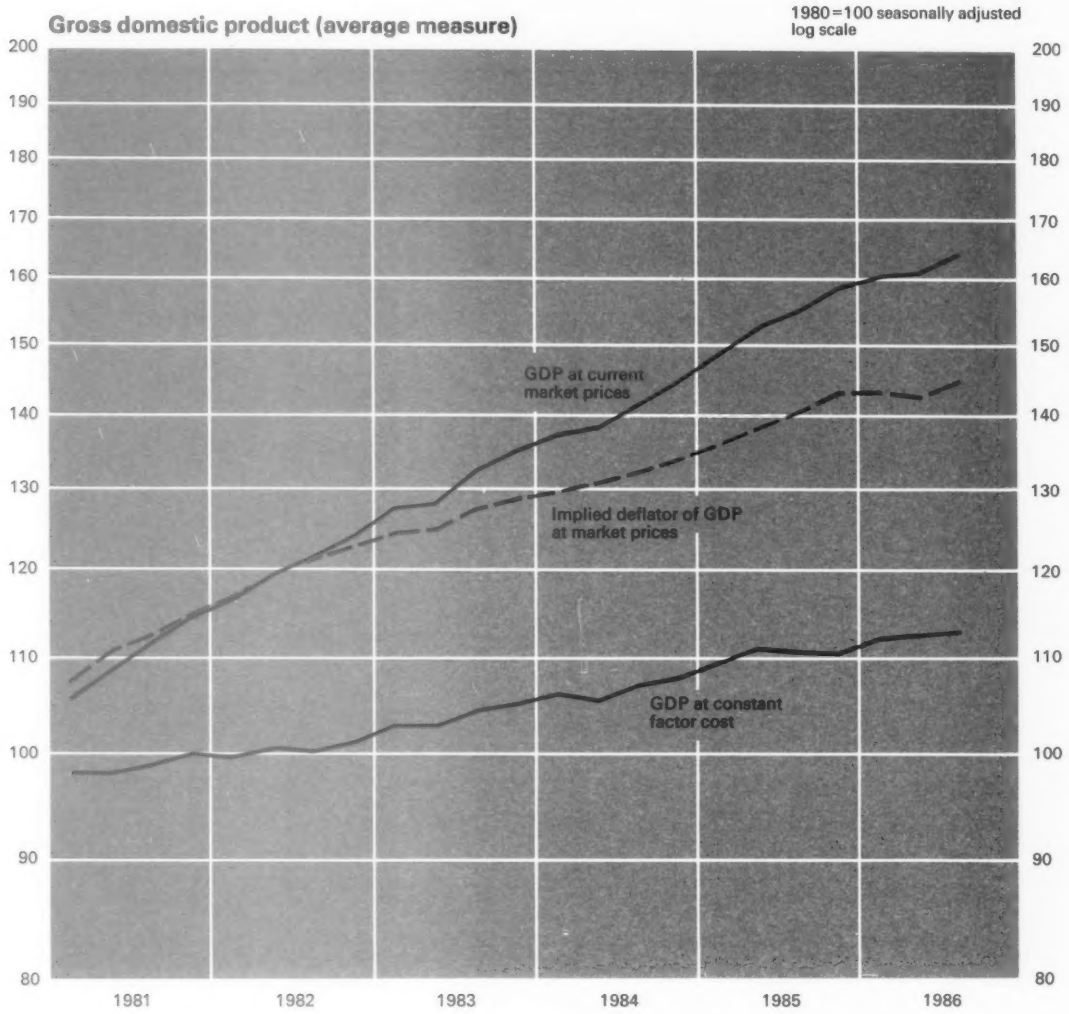
## National accounts aggregates (1)

Seasonally adjusted

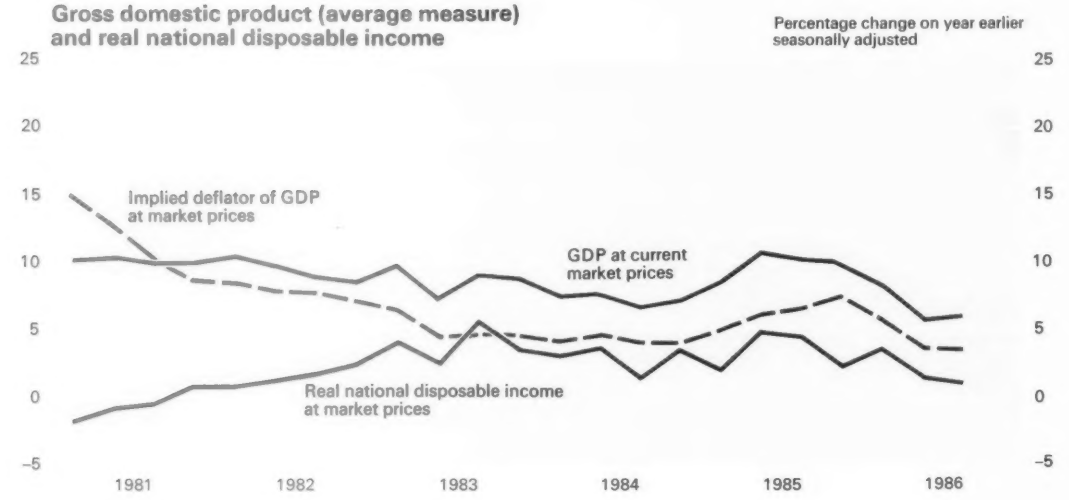
| | | Gross domestic product: At market prices: At current prices: £ billion: average estimate | Gross domestic product: At market prices: At current prices: 1980=100: average estimate | Gross domestic product: At market prices: At 1980 prices: 1980=100: average estimate | Gross domestic product: At factor cost: At current prices: £ billion(2): Based on: expenditure data | Gross domestic product: At factor cost: At current prices: £ billion(2): Based on: income data | Gross domestic product: At factor cost: At 1980 prices: 1980=100: Based on: average estimate | Gross domestic product: At factor cost: At 1980 prices: 1980=100: Based on: expenditure data | Gross domestic product: At factor cost: At 1980 prices: 1980=100: Based on: income data(3) | Gross domestic product: At factor cost: At 1980 prices: 1980=100: Based on: output data | National disposable income at 1980 market prices: 1980=100: average estimate | Implied gross domestic product deflator 1980=100: At factor cost: Based on: expenditure data(4) | Implied gross domestic product deflator 1980=100: At market prices: Based on: expenditure data |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | CAOB | DJCL | FNAO | FNAP | FNAQ | DJDD | DJDE | DIAR | DSAE | DJCR | DJCM | DJDT |
| 1977 | | 145.4 | 63.1 | 98.4 | 129.2 | 129.1 | 96.9 | 97.2 | 97.2 | 96.3 | 93.9 | 66.6 | 65.5 |
| 1978 | | 167.4† | 72.8 | 99.7 | 148.9 | 147.0† | 99.6† | 100.0 | 99.4† | 99.6 | 98.4† | 74.7 | 72.9 |
| 1979 | | 196.9 | 85.6 | 102.5 | 171.6 | 171.0 | 102.3 | 102.1 | 102.1 | 102.8 | 101.7 | 84.2 | 83.5 |
| 1980 | | 230.0 | 100.0 | 100.0 | 199.6 | 199.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 1981 | | 253.1 | 110.0 | 98.6 | 218.1 | 216.7 | 98.8 | 99.1 | 98.8 | 98.4† | 99.5 | 110.2† | 111.5 |
| 1982 | | 276.4 | 120.2† | 100.1 | 235.4† | 236.5 | 100.3 | 99.9 | 100.8 | 100.0 | 101.0 | 118.0 | 120.1 |
| 1983 | | 300.3 | 130.6 | 103.5 | 258.0 | 258.4 | 103.7 | 103.7 | 104.2 | 103.1 | 104.8 | 124.6 | 126.2 |
| 1984 | | 321.8 | 139.9 | 106.6 | 275.0 | 279.5 | 106.6 | 105.7† | 107.7 | 106.4 | 107.8 | 130.4 | 131.3 |
| 1985 | | 353.3 | 153.6 | 110.3† | 302.4 | 305.5 | 110.2 | 109.4 | 110.9 | 110.4 | 111.2 | 138.5 | 139.3† |
| 1986 | | 376.1 | 163.5 | 113.2 | 318.7 | 323.0 | 113.1 | 111.9 | 113.8 | 113.5 | 113.7 | 142.8 | 144.5 |
| 1981 | 3 | 64.1† | 111.5 | 98.9 | 54.5 | 55.0† | 98.8 | 98.1 | 99.4† | 98.9† | 98.9† | 111.3 | 112.7 |
| | 4 | 66.7 | 114.2† | 99.5 | 56.2 | 56.8 | 99.9 | 99.7 | 101.1 | 99.0 | 100.0 | 112.9† | 114.7† |
| 1982 | 1 | 68.9 | 118.4 | 99.5 | 57.1† | 56.7 | 99.7 | 100.1 | 99.8 | 99.1 | 100.5 | 114.2 | 116.9 |
| | 2 | 68.6 | 119.3 | 100.0† | 58.2 | 59.1 | 100.3 | 99.5 | 101.3 | 100.0 | 100.3 | 117.3 | 119.3 |
| | 3 | 69.7 | 121.3 | 100.0 | 58.9 | 59.8 | 100.1 | 99.0 | 100.9 | 100.4 | 100.7 | 119.2 | 121.3 |
| | 4 | 71.3 | 123.9 | 100.8 | 61.2 | 60.9 | 100.9† | 101.2† | 101.0 | 100.7 | 102.3 | 121.2 | 122.8 |
| 1983 | 1 | 73.3 | 127.5 | 102.5 | 63.3 | 62.7 | 102.7 | 103.7 | 102.8 | 101.6 | 104.3 | 122.4 | 124.3 |
| | 2 | 73.6 | 127.9 | 102.6 | 62.8 | 63.7 | 102.8 | 102.3 | 104.1 | 102.0 | 102.8 | 123.0 | 124.7 |
| | 3 | 75.9 | 132.1 | 103.9 | 65.3 | 65.3 | 104.1 | 104.0 | 104.5 | 103.9 | 106.0 | 125.7 | 127.0 |
| | 4 | 77.5 | 134.9 | 105.0 | 66.6 | 66.7 | 105.1 | 104.8 | 105.4 | 105.0 | 106.2 | 127.3 | 128.5 |
| 1984 | 1 | 78.7 | 136.9 | 105.8 | 67.6 | 68.1 | 105.9 | 105.5 | 106.6 | 105.6 | 107.3 | 128.3 | 129.4 |
| | 2 | 79.2 | 137.7 | 105.7 | 67.6 | 68.6 | 105.6 | 104.6 | 106.5 | 105.8 | 106.6 | 129.6 | 130.2 |
| | 3 | 80.9 | 140.8 | 106.7 | 68.7 | 70.6 | 106.9 | 105.5 | 108.7 | 106.7 | 107.5 | 130.6 | 131.6 |
| | 4 | 83.0 | 144.3 | 108.0 | 71.1 | 72.2 | 108.0 | 107.1 | 109.1 | 107.6 | 109.7 | 133.0 | 133.7 |
| 1985 | 1 | 85.2 | 148.2 | 109.2 | 73.8 | 73.7 | 109.2 | 109.1 | 109.3 | 109.2 | 109.2 | 135.5 | 135.7 |
| | 2 | 87.6 | 152.3 | 110.4 | 74.7 | 76.1 | 110.6 | 109.4 | 111.8 | 110.5 | 111.4 | 136.9 | 138.0 |
| | 3 | 89.1 | 155.0 | 110.6 | 75.9 | 77.1 | 110.4 | 109.3 | 111.4 | 110.5 | 112.4 | 139.2 | 140.2 |
| | 4 | 91.4 | 158.9 | 110.9 | 78.0 | 78.6 | 110.7 | 109.8 | 111.0 | 111.3 | 112.0 | 142.2 | 143.2 |
| 1986 | 1 | 92.1 | 160.1 | 111.8 | 79.2 | 79.0 | 111.9 | 111.8 | 112.0 | 111.7 | 113.2 | 141.8 | 143.2 |
| | 2 | 92.8 | 161.3 | 112.7 | 78.5 | 79.8 | 112.7 | 111.4 | 113.6 | 113.0 | 112.9 | 141.2 | 143.1 |
| | 3 | 94.7 | 164.8 | 113.7 | 79.5 | 81.3 | 113.5 | 111.6 | 114.4 | 114.5 | 114.2 | 142.8 | 144.9 |
| | 4 | 96.8 | 168.1 | 114.6 | 81.5 | 82.9 | 114.3 | 112.9 | 115.3 | 114.9 | 114.6 | 144.6 | 146.6 |
| | | Percentage change, quarter on corresponding quarter of previous year | | | | | | | | | | | |
| 1981 | 3 | 9.7† | 9.7† | -0.3† | 6.3† | 9.8 | -0.6† | -2.3 | 1.0† | -0.2† | -0.6† | 8.8 | 10.1 |
| | 4 | 9.8 | 9.8 | 1.3 | 7.6 | 10.5 | 2.0 | 1.0 | 3.9 | 1.3 | 0.8 | 6.4† | 8.4† |
| 1982 | 1 | 10.2 | 10.2 | 1.6 | 6.0 | 9.4† | 1.5 | 0.1 | 3.3 | 1.5 | 0.7 | 5.8 | 8.3 |
| | 2 | 9.6 | 9.6 | 1.8 | 8.7 | 11.5 | 2.2 | 0.9 | 3.4 | 2.1 | 1.1 | 7.7 | 7.8 |
| | 3 | 8.8 | 8.8 | 1.1 | 8.0 | 8.7 | 1.3 | 0.9† | 1.5 | 1.6 | 1.8 | 7.1 | 7.6 |
| | 4 | 8.5 | 8.5 | 1.3 | 8.9 | 7.2 | 1.0 | 1.5 | -0.1 | 1.7 | 2.3 | 7.4 | 7.1 |
| 1983 | 1 | 9.6 | 9.6 | 3.0 | 11.0 | 10.5 | 3.0 | 3.5 | 3.0 | 2.5 | 3.9 | 7.2 | 6.3 |
| | 2 | 7.2 | 7.2 | 2.6 | 7.8 | 7.7 | 2.5 | 2.8 | 2.8 | 2.0 | 2.5 | 4.9 | 4.5 |
| | 3 | 8.9 | 8.9 | 4.0 | 10.9 | 9.2 | 4.0 | 5.1 | 3.5 | 3.4 | 5.3 | 5.5 | 4.7 |
| | 4 | 8.8 | 8.8 | 4.1 | 8.8 | 9.6 | 4.2 | 3.6 | 4.3 | 4.3 | 3.8 | 5.0 | 4.6 |
| 1984 | 1 | 7.4 | 7.4 | 3.2 | 6.7 | 8.6 | 3.1 | 1.8 | 3.6 | 3.9 | 2.9 | 4.8 | 4.1 |
| | 2 | 7.6 | 7.6 | 3.0 | 7.8 | 7.7 | 2.7 | 2.3 | 2.3 | 3.8 | 3.8 | 5.4 | 4.4 |
| | 3 | 6.6 | 6.6 | 2.7 | 5.3 | 8.1 | 2.7 | 1.3 | 4.0 | 2.7 | 1.4 | 3.9 | 3.8 |
| | 4 | 7.0 | 7.0 | 2.9 | 6.7 | 8.2 | 2.8 | 2.2 | 3.8 | 2.5 | 3.3 | 4.5 | 4.0 |
| 1985 | 1 | 8.2 | 8.2 | 3.2 | 9.2 | 8.3 | 3.1 | 3.4 | 2.5 | 3.4 | 1.7 | 5.8 | 4.9 |
| | 2 | 10.6 | 10.6 | 4.5 | 10.4 | 10.9 | 4.7 | 4.5 | 5.0 | 4.5 | 4.5 | 5.8 | 6.0 |
| | 3 | 10.2 | 10.2 | 3.6 | 10.4 | 9.2 | 3.3 | 3.6 | 2.5 | 3.6 | 4.5 | 6.6 | 6.4 |
| | 4 | 10.1 | 10.1 | 2.7 | 9.7 | 8.8 | 2.5 | 2.5 | 1.8 | 3.4 | 2.2 | 6.9 | 7.1 |
| 1986 | 1 | 8.0 | 8.0 | 2.4 | 7.2 | 7.3 | 2.5 | 2.5 | 2.5 | 2.3 | 3.7 | 4.6 | 5.5 |
| | 2 | 5.9 | 5.9 | 2.1 | 5.0 | 4.8 | 1.9 | 1.9 | 1.7 | 2.2 | 1.3 | 3.1 | 3.7 |
| | 3 | 6.3 | 6.3 | 2.8 | 4.7 | 5.4 | 2.8 | 2.1 | 2.7 | 3.6 | 1.6 | 2.6 | 3.4 |
| | 4 | 5.8 | 5.8 | 3.3 | 4.6 | 5.5 | 3.3 | 2.9 | 3.8 | 3.2 | 2.3 | 1.7 | 2.4 |

1 The index numbers are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
2 Figures in £ million are given on page 14.
3 Income data deflated by the implied GDP deflator at factor cost based on expenditure data.
4 Also known as the index of total home costs.

## Gross domestic product (average measure)




## Gross domestic product (average measure) and real national disposable income



## Expenditure on the gross domestic product

Seasonally adjusted

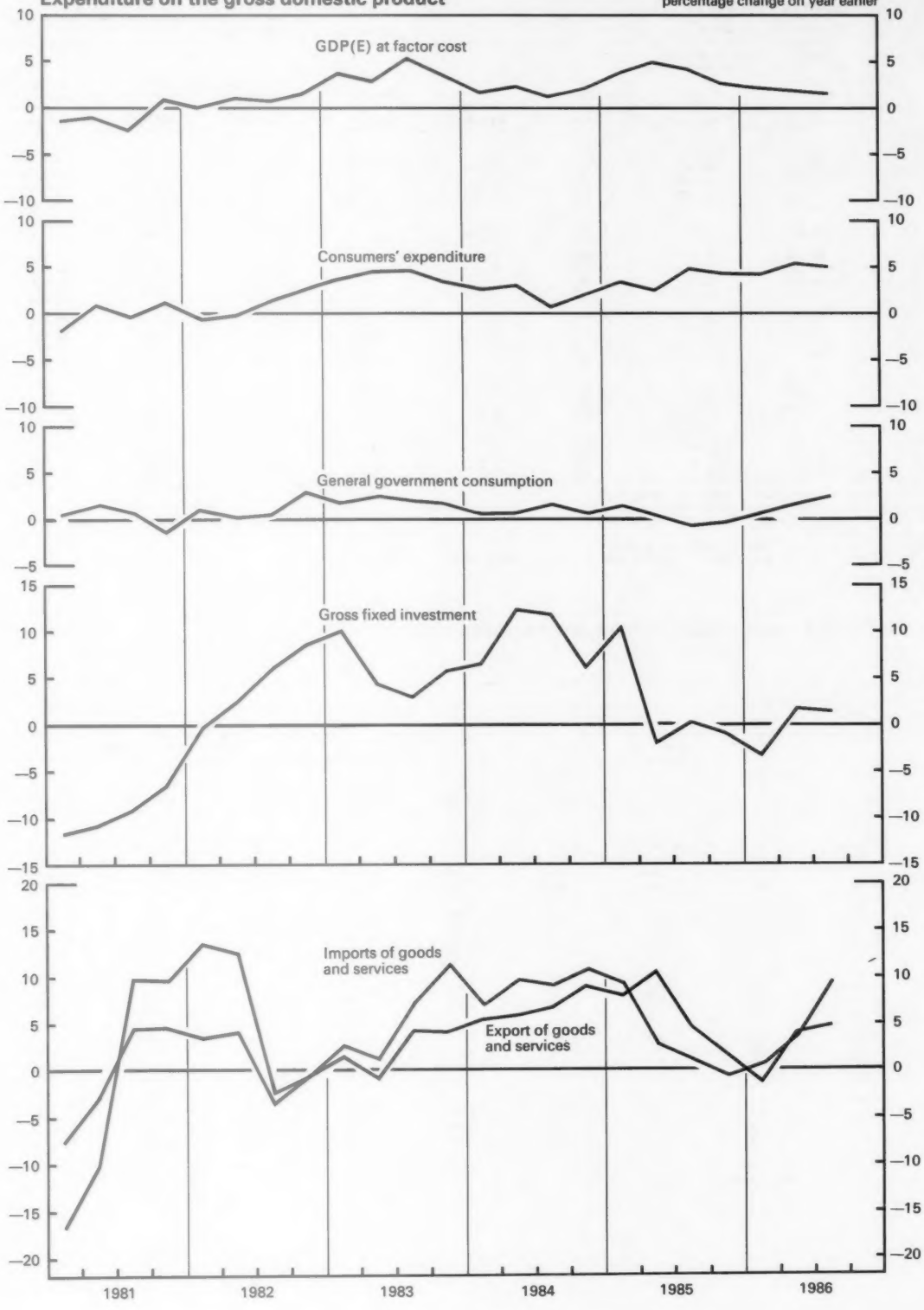
£ million, 1980 prices

| | | Gross domestic product at factor cost-expenditure based(1) | Final expenditure on goods and services at market prices | | | | | Gross fixed investment | Stock building | Exports of goods and services | Imports of goods and sevices | Adjustment to factor cost |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Total(1) | Consumers' expenditure | General government consumption Total(1) | Central government | Local authorities | | | | | |
| | | DJDH | DIAU | CAAB | DIAT | DIAV | DIAW | DECU | DGBA | DJDG | DJDJ | DIAS |
| 1979 | | 203 805 | 295 489 | 137 612 | 48 213 | 29 153 | 19 060 | 43 954 | 2 547 | 63 163 | 59 879 | 31 805 |
| 1980 | | 199 606 | 288 197 | 137 234 | 48 936 | 29 993 | 18 943 | 41 774 | -2 844 | 63 097 | 57 868 | 30 723 |
| 1981 | | 197 850† | 284 352† | 137 220† | 49 042† | 30 239† | 18 803 | 37 844† | -2 490 | 62 736 | 56 404† | 30 098 |
| 1982 | | 199 488 | 289 395 | 138 285 | 49 583 | 30 568 | 18 995 | 39 404 | -1 127 | 63 270† | 59 484 | 30 423 |
| 1983 | | 207 007 | 301 234 | 143 610 | 50 530 | 31 141 | 19 389 | 41 740 | 680 | 64 674 | 62 773 | 31 454 |
| 1984 | | 210 931 | 312 133 | 146 667 | 50 896 | 31 419 | 19 477 | 45 490 | -51† | 69 131 | 68 558 | 32 644 |
| 1985 | | 218 355 | 323 023 | 151 961 | 50 993 | 31 493 | 19 500† | 46 328 | 604 | 73 137 | 70 691 | 33 977† |
| 1986 | | 223 433 | 333 231 | 159 165 | 51 587 | 31 720 | 19 867 | 48 602 | 564 | 75 313 | 74 826 | 34 972 |
| 1979 | 4 | 51 220 | 74 440 | 34 545 | 12 108 | 7 290 | 4 818 | 11 060 | 483 | 16 244 | 15 411 | 7 809 |
| 1980 | 1 | 50 527 | 73 961 | 34 999 | 12 229 | 7 418 | 4 811 | 10 680 | -456 | 16 509 | 15 580 | 7 854 |
| | 2 | 49 681 | 72 367 | 34 038 | 12 114 | 7 397 | 4 717 | 10 631 | -282 | 15 866 | 15 079 | 7 607 |
| | 3 | 50 142 | 71 437 | 34 273 | 12 236 | 7 533 | 4 703 | 10 411 | -848 | 15 365 | 13 770 | 7 525 |
| | 4 | 49 256 | 70 432 | 33 924 | 12 357 | 7 845 | 4 712 | 10 052 | -1 258 | 15 357 | 13 439 | 7 737 |
| 1981 | 1 | 49 945† | 70 255† | 34 341 | 12 243† | 7 584† | 4 679 | 9 460† | -1 020 | 15 231† | 12 950† | 7 360 |
| | 2 | 49 182 | 70 404 | 34 335† | 12 292 | 7 604 | 4 688 | 9 496 | -1 120 | 15 401 | 13 572 | 7 650 |
| | 3 | 48 966 | 71 734 | 34 197 | 12 332 | 7 585 | 4 747 | 9 472 | -300 | 16 033 | 15 132 | 7 636 |
| | 4 | 49 757 | 71 959 | 34 347 | 12 175 | 7 486 | 4 689 | 9 416 | -50 | 16 071 | 14 750 | 7 452 |
| 1982 | 1 | 49 980 | 72 249 | 34 110 | 12 365 | 7 660 | 4 705 | 9 422 | 575 | 15 777 | 14 731 | 7 538 |
| | 2 | 49 635 | 72 493 | 34 232 | 12 324 | 7 615 | 4 709 | 9 722 | 184 | 16 031 | 15 296 | 7 562 |
| | 3 | 49 384 | 71 765 | 34 728 | 12 356 | 7 609 | 4 747 | 10 027 | -854 | 15 508 | 14 771 | 7 610 |
| | 4 | 50 489 | 72 888 | 35 215 | 12 518 | 7 684 | 4 834 | 10 233 | -1 032 | 15 954 | 14 686 | 7 713 |
| 1983 | 1 | 51 739 | 74 666 | 35 346 | 12 559 | 7 744 | 4 815 | 10 354 | 398† | 16 011 | 15 147 | 7 780 |
| | 2 | 51 039 | 74 308 | 35 695 | 12 656 | 7 790 | 4 866 | 10 146 | -80 | 15 891 | 15 473 | 7 796 |
| | 3 | 51 927 | 75 631 | 36 249 | 12 587 | 7 766 | 4 821 | 10 334 | 307 | 16 154 | 15 810 | 7 894 |
| | 4 | 52 302 | 76 629 | 36 320 | 12 728 | 7 841 | 4 887 | 10 906 | 57 | 16 618 | 16 343 | 7 984 |
| 1984 | 1 | 52 658 | 76 894 | 36 270 | 12 614 | 7 751 | 4 863 | 11 008 | 132 | 16 870 | 16 161 | 8 075 |
| | 2 | 52 210 | 77 361 | 36 791 | 12 736 | 7 870 | 4 866† | 11 388 | -360 | 16 806 | 16 992 | 8 159 |
| | 3 | 52 815 | 78 015 | 36 538 | 12 793 | 7 893 | 4 900 | 11 544 | -157 | 17 297 | 17 282 | 8 118 |
| | 4 | 53 448 | 79 863 | 37 068 | 12 753 | 7 905 | 4 848 | 11 550 | 334 | 18 158 | 18 123 | 8 292 |
| 1985 | 1 | 54 458 | 80 501 | 37 448 | 12 712 | 7 892 | 4 820 | 12 123 | 29 | 18 189 | 17 686 | 8 357† |
| | 2 | 54 574 | 80 466 | 37 597 | 12 790 | 7 884 | 4 906 | 11 172 | 393 | 18 514 | 17 501 | 8 391 |
| | 3 | 54 527 | 80 625 | 38 295 | 12 711 | 7 851 | 4 860 | 11 571 | 62 | 17 986 | 17 496 | 8 602 |
| | 4 | 54 798 | 81 431 | 38 621 | 12 780 | 7 866 | 4 914 | 11 462 | 120 | 18 448 | 18 008 | 8 627 |
| 1986 | 1 | 55 810 | 82 063 | 38 977 | 12 768 | 7 864 | 4 904 | 11 803 | 489 | 18 026 | 17 706 | 8 547 |
| | 2 | 55 591 | 82 409 | 39 610 | 12 780 | 7 900 | 4 880 | 11 485 | -98 | 18 630 | 18 154 | 8 664 |
| | 3 | 55 670 | 83 666 | 40 280 | 13 003 | 7 913 | 5 090 | 11 804 | -225 | 18 804 | 19 165 | 8 831 |
| | 4 | 56 362 | 85 093 | 40 298 | 13 036 | 8 043 | 4 993 | 11 510 | 396 | 19 853 | 19 801 | 8 930 |
| | | Percentage change, quarter on corresponding period of previous year | | | | | | | | | | |
| 1981 | 3 | -2.3 | +0.4 | -0.2 | +0.8 | +0.7 | +0.9 | -9.0 | .. | +4.3 | +9.9 | +1.5 |
| | 4 | +1.0 | +2.2 | +1.2 | -1.5 | -2.1 | -0.5 | -8.3 | .. | +4.7 | +9.8 | -3.7 |
| 1982 | 1 | +0.1 | +2.8 | -0.7 | +1.0 | +1.3 | +0.6 | -0.4 | .. | +3.6 | +13.8 | +2.4 |
| | 2 | +0.9 | +3.0 | -0.3 | +0.3 | +0.1 | +0.4 | +2.4 | .. | +4.1 | +12.7 | -1.2 |
| | 3 | +0.9 | - | +1.6 | +0.2 | +0.3 | - | +5.9 | .. | -3.3 | -2.4 | -0.3 |
| | 4 | +1.5 | +1.3 | +2.5 | +2.8 | +2.6 | +3.1 | +8.7 | .. | -0.7 | -0.4 | +3.5 |
| 1983 | 1 | +3.5 | +3.3 | +3.6 | +1.6 | +1.1 | +2.3 | +9.9 | .. | +1.5 | +2.8 | +3.2 |
| | 2 | +2.6 | +2.5 | +4.3 | +2.7 | +2.3 | +3.3 | +4.4 | .. | -0.9 | +1.2 | +3.1 |
| | 3 | +5.2 | +5.4 | +4.4 | +1.9 | +2.1 | +1.6 | +3.1 | .. | +4.2 | +7.0 | +3.7 |
| | 4 | +3.6 | +5.1 | +3.1 | +1.7 | +2.0 | +1.1 | +6.6 | .. | +4.2 | +11.3 | +3.5 |
| 1984 | 1 | +1.8 | +3.0 | +2.6 | +0.4 | +0.1 | +1.0 | +8.3 | .. | +5.4 | +6.7 | +3.8 |
| | 2 | +2.3 | +4.1 | +3.1 | +0.6 | +1.0 | - | +12.2 | .. | +5.8 | +9.8 | +4.7 |
| | 3 | +1.3 | +3.2 | +0.8 | +1.6 | +1.6 | +1.6 | +11.7 | .. | +7.1 | +9.3 | +2.8 |
| | 4 | +2.2 | +4.2 | +2.1 | +0.2 | +0.8 | -0.8 | +5.9 | .. | +9.3 | +10.9 | +3.9 |
| 1985 | 1 | +3.4 | +4.7 | +3.2 | +0.8 | +1.8 | -0.9 | +10.1 | .. | +7.8 | +9.4 | +3.5 |
| | 2 | +4.5 | +4.0 | +2.2 | +0.4 | +0.2 | +0.8 | -1.9 | .. | +10.2 | +3.0 | +2.8 |
| | 3 | +3.8 | +3.3 | +4.8 | -0.6 | -0.5 | -0.8 | +0.2 | .. | +4.0 | +1.2 | +6.0 |
| | 4 | +2.5 | +2.0 | +4.2 | +0.2 | -0.5 | +1.4 | -0.8 | .. | +1.6 | -0.6 | +4.0 |
| 1986 | 1 | +2.5 | +1.9 | +4.1 | +0.4 | -0.4 | +1.7 | -2.6 | .. | -0.9 | +0.1 | +2.3 |
| | 2 | +1.9 | +2.4 | +5.4 | -0.1 | +0.2 | -0.5 | +2.8 | .. | +0.6 | +3.7 | +3.3 |
| | 3 | +2.1 | +3.8 | +5.2 | +2.3 | +0.8 | +4.7 | +2.0 | .. | +4.5 | +9.5 | +2.7 |
| | 4 | +2.9 | +4.5 | +4.3 | +2.0 | +2.3 | +1.6 | +0.4 | .. | +7.6 | +10.0 | +3.5 |

1 For years up to and including 1977, totals differ from the sum of the components because of the method used to rebase on 1980 prices.

## Expenditure on the gross domestic product

1980 prices seasonally adjusted
percentage change on year earlier



## Personal disposable income and consumption

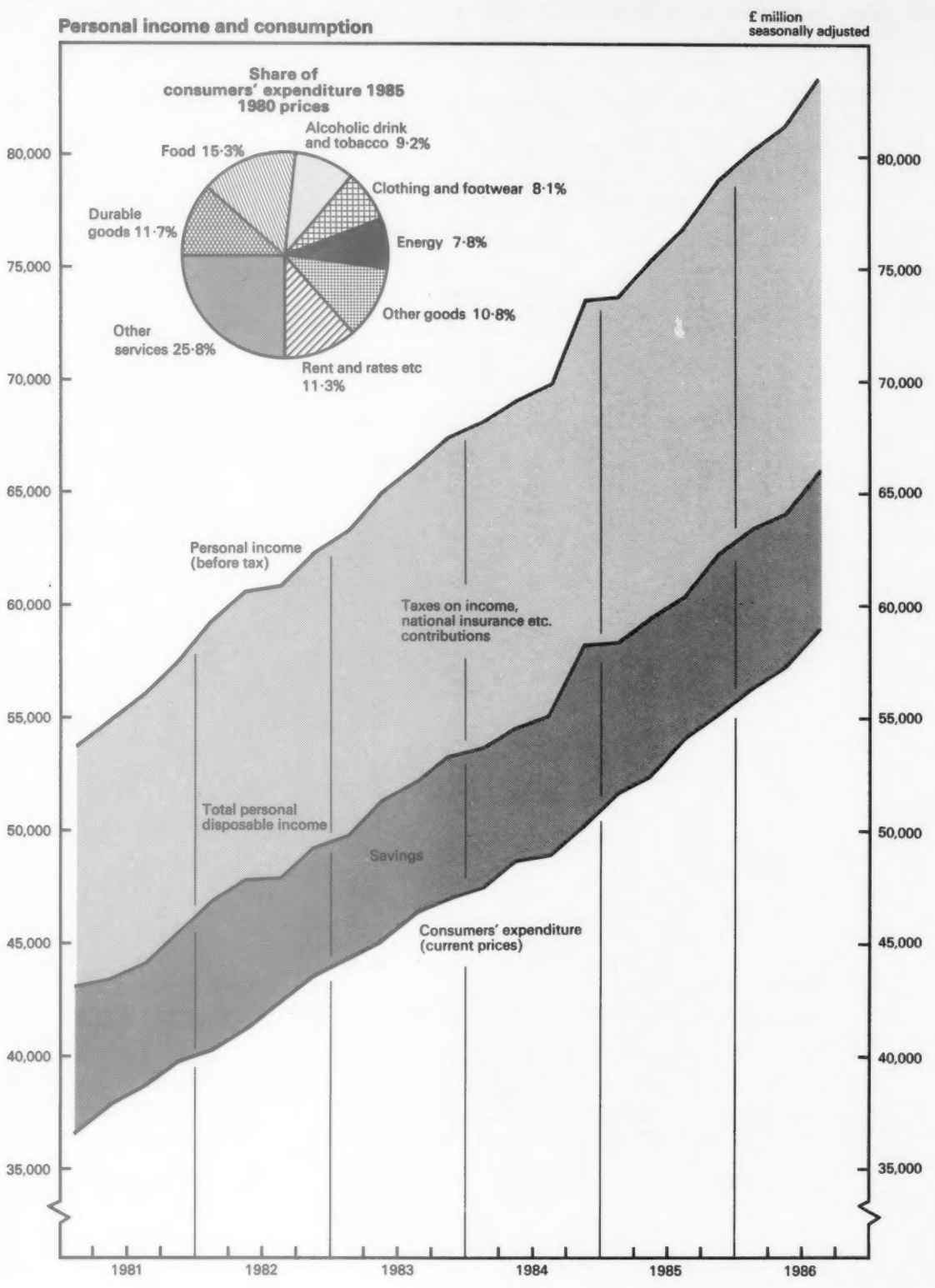
| | Seasonally adjusted | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | £ million, current prices | | | | Percentage | 1980 prices | | |
| | Personal income before tax | | | | | | | |
| | Total(1) | of which: Wages, salaries and forces pay | Total personal disposable income(2) | Consumers' expenditure(3) | Personal saving ratio(4) | Real personal disposable income(5) | | Realconsumers' expenditure(3) |
| | | | | | | £ million* | 1980 = 100 | £ million |
| | AIIQ | AIJB | AIIW | AIIX | AIIZ | CFAH | CFAF | CAAB |
| 1982 | 243 142 | 135 782 | 192 064 | 167 277 | 12.9† | 158 662 | 98.2† | 138 186 |
| 1983 | 261 990 | 146 645 | 206 598 | 182 581 | 11.6 | 162 504 | 100.6 | 143 613 |
| 1984 | 280 827 | 156 196 | 221 698 | 195 276 | 11.9 | 166 422 | 103.0 | 146 588 |
| 1985 | 304 659 | 169 880 | 240 583 | 213 351 | 11.3 | 171 375 | 106.1 | 151 977 |
| 1982 4 | 62 285 | 34 904 | 49 299 | 43 540 | 11.7 | 39 840 | 98.6 | 35 194 |
| 1983 1 | 63 309 | 35 810 | 49 756 | 44 260 | 11.0 | 39 723 | 98.3 | 35 335 |
| 2 | 65 000 | 36 332 | 51 333 | 45 012 | 12.3 | 40 715 | 100.8 | 35 701 |
| 3 | 66 233 | 36 897 | 52 197 | 46 337 | 11.2 | 40 845 | 101.1 | 36 259 |
| 4 | 67 448 | 37 606 | 53 312 | 46 972 | 11.9 | 41 221 | 102.0 | 36 318 |
| 1984 1 | 68 190 | 38 029 | 53 671 | 47 485 | 11.5 | 40 976 | 101.4 | 36 249 |
| 2 | 69 153 | 38 535 | 54 588 | 48 690 | 10.8 | 41 234 | 102.1 | 36 774 |
| 3 | 69 813 | 39 141 | 55 182 | 48 879 | 11.4 | 41 232 | 102.1 | 36 518 |
| 4 | 73 671 | 40 491 | 58 257 | 50 222 | 13.8 | 42 980 | 106.4 | 37 047 |
| 1985 1 | 73 690 | 41 152 | 58 358 | 51 665 | 11.5 | 42 274 | 104.7 | 37 427 |
| 2 | 75 335 | 42 097 | 59 494 | 52 381 | 12.0 | 42 693 | 105.7 | 37 590 |
| 3 | 76 783 | 42 969 | 60 425 | 54 103 | 10.5 | 42 800 | 106.0 | 38 323 |
| 4 | 78 851 | 43 662 | 62 306 | 55 202 | 11.4 | 43 608 | 108.0 | 38 637 |
| 1986 1 | 80 149 | 44 497 | 63 355 | 56 296 | 11.1 | 43 798 | 108.4 | 38 916 |
| 2 | 81 265 | 45 403 | 64 056 | 57 288 | 10.6 | 44 233 | 109.5 | 39 586 |
| 3 | 83 485 | 46 353 | 65 986 | 58 967 | 10.6 | 44 977 | 111.3 | 40 193 |

1 Before providing for depreciation and stock appreciation.
2 Before providing for depreciation, stock appreciation and additions to tax reserves.
3 This table is revised and brought up to date in the January, April, July and October issues. The table below may show more up to date figures for consumers' expenditure.
4 Personal savings as a percentage of personal disposable income.
5 Personal disposable income revalued by the implied consumers' expenditure deflator (1980 = 100).

## Real consumers' expenditure – component categories

| | Seasonally adjusted | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | £ million, 1980 prices | | | | | | | | |
| | | | Other goods | | | | | Other services | |
| | Total | Durable goods: total | Food | Alcoholic drink and tobacco | Clothing and footwear | Energy products | Other goods | Rent and rates etc. | Other services(1) |
| | CAAB | CDBW | CCCA | FCCD | FCCE | CCCG | CCCM | CCCN | CCCJ |
| 1983 | 143 610† | 16 461† | 23 109 | 13 812 | 10 892 | 11 203 | 15 071 | 16 699† | 36 383† |
| 1984 | 146 667 | 16 633 | 22 891 | 13 926 | 11 561 | 11 329 | 15 854 | 16 948 | 37 525 |
| 1985 | 151 961 | 17 851 | 23 197 | 14 061 | 12 378 | 11 840 | 16 474 | 17 113 | 39 047 |
| 1986 | 159 165 | 19 429 | 23 908† | 13 917† | 13 279† | 12 317† | 17 379† | 17 284 | 41 654 |
| 1983 1 | 35 346† | 4 049† | 5 724 | 3 414 | 2 634 | 2 749 | 3 724 | 4 154† | 8 898† |
| 2 | 35 695 | 4 012 | 5 744 | 3 415 | 2 718 | 2 873 | 3 730 | 4 187 | 9 038 |
| 3 | 36 249 | 4 227 | 5 807 | 3 499 | 2 750 | 2 786 | 3 785 | 4 181 | 9 214 |
| 4 | 36 320 | 4 173 | 5 834 | 3 484 | 2 792 | 2 795 | 3 832 | 4 197 | 9 213 |
| 1984 1 | 36 270 | 4 096 | 5 759 | 3 493 | 2 779 | 2 867 | 3 842 | 4 216 | 9 218 |
| 2 | 36 791 | 4 233 | 5 762 | 3 476 | 2 858 | 2 812 | 3 977 | 4 232 | 9 441 |
| 3 | 36 538 | 4 049 | 5 654 | 3 477 | 2 935 | 2 798 | 3 998 | 4 245 | 9 382 |
| 4 | 37 068 | 4 255 | 5 716 | 3 480 | 2 989 | 2 852 | 4 037 | 4 255 | 9 484 |
| 1985 1 | 37 448 | 4 332 | 5 891 | 3 492 | 3 042 | 2 925 | 4 053 | 4 262 | 9 651 |
| 2 | 37 597 | 4 344 | 5 780 | 3 508 | 3 107 | 2 927 | 4 096 | 4 273 | 9 562 |
| 3 | 38 295 | 4 617 | 5 862 | 3 502 | 3 114- | 2 993 | 4 137 | 4 284 | 9 785 |
| 4 | 38 621 | 4 558 | 5 864 | 3 559 | 3 115 | 2 995 | 4 186 | 4 294 | 10 048 |
| 1986 1 | 38 977 | 4 517 | 5 905 | 3 427† | 3 224† | 3 106† | 4 176† | 4 303 | 10 317 |
| 2 | 39 610 | 4 825 | 5 970† | 3 500 | 3 289 | 3 076 | 4 259 | 4 312 | 10 379 |
| 3 | 40 280 | 5 072 | 6 066 | 3 484 | 3 365 | 3 080 | 4 436 | 4 328 | 10 451 |
| 4 | 40 298 | 5 015 | 5 965 | 3 508 | 3 401 | 3 053 | 4 508 | 4 343 | 10 507 |

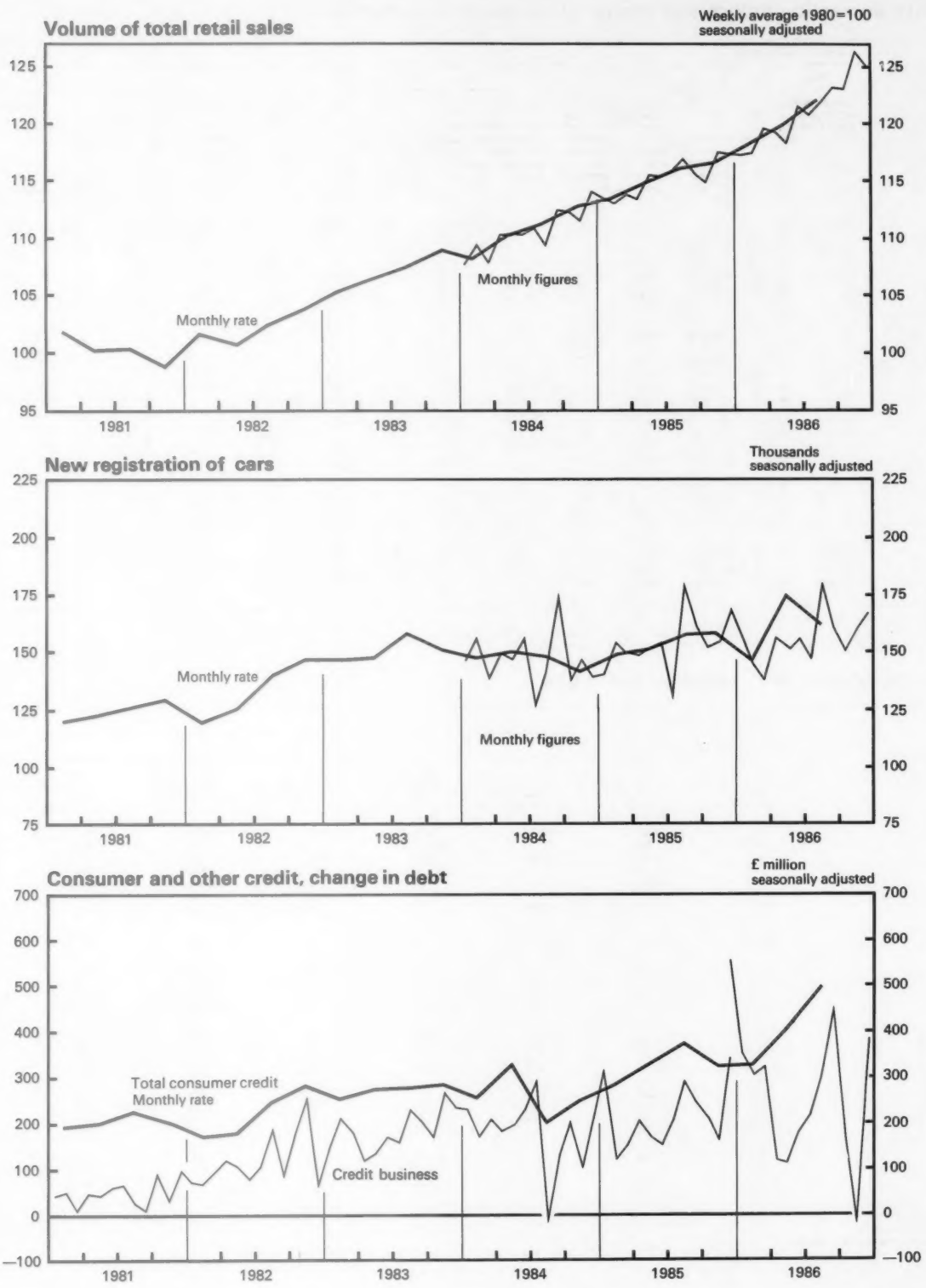
1 Including the adjustments for international travel, etc. and final expenditure by private non-profit-making bodies.


Personal income and consumption
£ million
seasonally adjusted
Share of
consumers' expenditure 1985
1980 prices
Alcoholic drink
and tobacco 9·2%
Food 15·3%
Clothing and footwear 8·1%
Durable
goods 11·7%
Energy 7·8%
Other goods 10·8%
Other
services 25·8%
Rent and rates etc
11·3%
Personal income
(before tax)
Taxes on income,
national insurance etc.
contributions
Total personal
disposable income
Savings
Consumers' expenditure
(current prices)
80,000
75,000
70,000
65,000
60,000
55,000
50,000
45,000
40,000
35,000
1981
1982
1983
1984
1985
1986

## Retail sales, new registrations of cars and credit business (Great Britain)

| | | Seasonally adjusted | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Weekly average 1980=100 | | | | | | | Thousands(1) | £ million | | |
| | | Value of retail Sales(2,3) | Volume of retail sales (2,3) | | | | | | | Consumer credit | Credit business(4) | |
| | | Total(5) | Total(5) | Fo. retailers(5) | Mixed retail businesses(5) | Clothing and footwear retailers | Household goods retailers | Other non-food retailers | New registrations of cars*(6) | Change in total outstanding | New credit advanced | Change in amounts outstanding |
| Sales in 1980 £ million | | 58 377 | 58 377 | 22 859 | 10 930 | 5 413 | 9 148 | 10 029 | | | | |
| | | FAAL | FAAM | FAAN | FAAO | FAAP | FAAQ | FAAR | DKBY | AIKM | FHBH | FHBI |
| 1981 | | 106.2 | 100.2 | 100.7 | 100.4 | 97 | 102 | 99 | 125 | 2 473 | 7 861 | +627 |
| 1982 | | 117.1 | 102.2 | 101.6 | 103.9 | 100 | 106 | 99 | 132 | 2 621 | 9 087 | +1 446 |
| 1983 | | 127.6 | 107.1 | 105.8 | 109.4 | 108 | 115 | 100 | 150 | 3 284 | 10 524 | +2 246† |
| 1984 | | 137.5 | 110.7 | 108.4 | 113.6 | 114 | 120 | 102 | 147 | 3 100 | 11 507 | +2 159 |
| 1985 | | 149.5 | 115.3 | 112.6 | 119.3 | 122 | 127 | 103 | 154 | 3 923 | 12 996 | +2 586 |
| 1986 | | | | | | | | | 155 | | 31 515† | +2 952 |
| 1983 | 4 | 131.9 | 109.0 | 107.5 | 111.7 | 110 | 118 | 101 | 151 | 851 | 2 782 | 669 |
| 1984 | 1 | 132.4 | 108.4 | 107.1 | 110.7 | 110 | 117 | 100 | 147 | 772 | 2 844 | 619 |
| | 2 | 136.6 | 110.3 | 108.1 | 113.3 | 114 | 119 | 102 | 150 | 976 | 2 893 | +614 |
| | 3 | 139.1 | 111.2 | 108.7 | 114.1 | 116 | 121 | 102 | 148 | 606 | 2 812 | 413 |
| | 4 | 142.0 | 112.6 | 109.7 | 116.4 | 118 | 123 | 103 | 141 | 748 | 2 958 | 513 |
| 1985 | 1 | 144.9 | 113.6 | 110.8 | 117.8 | 120 | 124 | 102 | 148 | 851 | 3 103 | +586† |
| | 2 | 148.3 | 114.9 | 112.1 | 119.4 | 122 | 125 | 103 | 151 | 980 | 3 083 | +533 |
| | 3 | 151.4 | 116.1 | 113.6 | 119.8 | 122 | 128 | 104 | 157 | 1 122 | 3 374 | +745 |
| | 4 | 153.5 | 116.7 | 113.9 | 120.2 | 124 | 129 | 105 | 158 | 970 | 3 436 | 722 |
| 1986 | 1 | 156.5 | 118.2 | 115.7 | 122.3 | 125 | 131 | 104 | 146 | 977 | 7 375 | +980 |
| | 2 | 159.8 | 120.0 | 115.9 | 123.5 | 130 | 137 | 105 | 155 | 1 212 | 7 739 | +418 |
| | 3 | 163.8 | 122.1 | 116.1 | 127.9 | 131 | 142 | 107 | 162 | 1 490 | 8 223 | +968 |
| | 4 | | | | | | | | 159 | | 8 178† | +586 |
| 1985 | M | 145.9 | 113.9 | 111.3 | 118.2 | 120 | 125 | 102 | 149 | .. | 987 | +157† |
| | A | 146.1 | 113.5 | 110.7 | 118.1 | 121 | 123 | 102 | 148 | .. | 1 082 | +214 |
| | M | 149.1 | 115.6 | 112.9 | 120.3 | 123 | 125 | 104 | 151 | .. | 1 044 | +173 |
| | J | 149.5 | 115.4 | 112.6 | 119.7 | 122 | 126 | 103 | 154 | .. | 977 | +146 |
| | J | 150.3 | 115.9 | 113.6 | 118.9 | 123 | 127 | 103 | 131 | .. | 1 119 | +218 |
| | A | 152.5 | 117.0 | 113.8 | 123.5 | 124 | 128 | 103 | 179 | .. | 1 124 | +272 |
| | S | 151.5 | 115.6 | 113.5 | 117.5 | 119 | 129 | 104 | 161 | .. | 1 131 | +255 |
| | O | 151.1 | 115.0 | 113.2 | 117.6 | 118 | 127 | 104 | 152 | .. | 1 145 | +198 |
| | N | 154.7 | 117.6 | 114.7 | 120.4 | 129 | 130 | 104 | 154 | .. | 1 100 | +190 |
| | D | | | | | | | | | | 1 191 | +334 |
| | | 154.5 | 117.4 | 113.7 | 122.1 | 124 | 130 | 106 | 169 | .. | 2 282 | - |
| 1986 | J | 154.8 | 117.3 | 115.4 | 122.2 | 122 | 129 | 103 | 157 | .. | 2 540 | +353 |
| | F | 155.6 | 117.5 | 115.9 | 121.0 | 123 | 130 | 103 | 144 | .. | 2 463 | +302 |
| | M | 158.8 | 119.7 | 116.0 | 123.3 | 131 | 133 | 106 | 137 | .. | 2 372 | +325 |
| | A | 158.1 | 119.3 | 116.2 | 122.2 | 127 | 137 | 103 | 156 | .. | 2 717 | +120 |
| | M | 157.9 | 118.5 | 114.2 | 122.6 | 129 | 134 | 104 | 152 | .. | 2 409 | +117 |
| | J | 162.7 | 121.7 | 116.9 | 125.3 | 132 | 139 | 107 | 156 | .. | 2 613 | +181 |
| | J | 161.5 | 120.9 | 115.5 | 125.9 | 128 | 140 | 107 | 147 | .. | 2 685 | +219 |
| | A | 163.6 | 122.0 | 115.9 | 127.5 | 133 | 141 | 106 | 179 | .. | 2 666 | +302 |
| | S | 165.7 | 123.2 | 116.8 | 129.4 | 132 | 144 | 108 | 159 | .. | 2 870 | +447 |
| | O | 165.8 | 123.2 | 118.2 | 129.5 | 131 | 140 | 107 | 150 | .. | 2 759 | +247 |
| | N | 170.2 | 126.4 | 119.1 | 136.1 | 136 | 144 | 111 | 160 | .. | 2 635 | +16 |
| | D | 168.6 | 125.0 | 117.7 | 129.9 | 135 | 146 | 111 | 167 | .. | 2 784† | +321 |
| 1987 | J | 166.2 | 122.3† | 120.8† | 127.2† | 132† | 134† | 105† | 159† | .. | 2 664 | +300 |
| | F | | 125.0 | | | | | | | .. | | |

1 Monthly averages.
2 Monthly figures of retail sales are based on four-week periods, exceptfor the months of March, June, September and December which are five-week periods. The quarterly indices are weighted averages of monthly indices for the months within the quarter. The weights are the number of weeks in each monthly period.
3 The retail sales index has been rebased using detailed information for1982.
4 Credit business of finance houses and other specialist credit grantors(excluding loans for dealer stock funding and property development), Building Societies in respect of unsecured loans from the beginning of 1987 (as permitted under the terms of the Building Societies Act 1986), retailers, ie clothing retailers, household goods retailers, mixed business retailers (other than co-operative societies) and general mail order houses, and on bank credit cards. The credit business of High Street Banks(other than credit cards, Building Societies (other than unsecured ) loans and insurance companies is outside the scope of these series.Thereis a break at the end of 1985. Before this credit advanced excluded running - account and block discounted agreements by finance houses and other specialist credit grantors, and lending on bank credit cards. Amounts outstanding excluding block discounted agreements outstanding to finance houses and other specialist credit grantors and amounts owed on bank credit cards. An estimate for new credit advanced for December 1985 on the same basis as subsequent figures is included for comparison.
5 These indices are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
6 Following the change in taxation policy for goods vehicles, effective from 1 October 1982, the previous 'private car and van' series has been substituted by an analysis of cars in all taxation classes. Although there are slight differences in the monthly counts between the two series this will not significantly effect movements in the estimates of the underlying trend. The timing of the cyclical turning points has not been affected by the substitution.


Volume of total retail sales
Weekly average 1980=100
seasonally adjusted
125
120
115
110
105
100
95
Monthly rate
Monthly figures
1981
1982
1983
1984
1985
1986
New registration of cars
Thousands
seasonally adjusted
225
200
175
150
125
100
75
Monthly rate
Monthly figures
1981
1982
1983
1984
1985
1986
Consumer and other credit, change in debt
£ million
seasonally adjusted
700
600
500
400
300
200
100
0
—100
Total consumer credit
Monthly rate
Credit business
1981
1982
1983
1984
1985
1986

## Gross domestic product and shares of income and expenditure

Seasonally adjusted

| | | £ million | | | Per cent | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Gross domestic product at current factor cost | | Total final expenditure (current market prices) | Percentage share of total final expenditure | | | | | | Percentage share of gross domestic product (income based) | | | | | |
| | | | | | | | Gross fixed investment | | | | | Gross trading profits | | Income from self-employment(1) | | |
| | | Expenditure based | Income based | | Consumers' expenditure | General government consumption | General government | Public corporations | Private sector | Exports | Income from employment | Companies(1) | Other (1,2) | | Other income(3) | |
| | | DJBA | DJBE | DIAB | FBBD | FBBE | FBBF | FBBG | FBBH | FBBI | FBBJ | FBBK | FBBL | FBBM | FBBN | |
| 1981 | | 218 119† | 216 688† | 314 870† | 48.6† | 17.6 | 1.4 | 2.1 | 9.6 | 21.5 | 68.4† | 10.9† | 3.5 | 8.8† | 8.3 | |
| 1982 | | 235 362 | 236 529 | 344 263 | 48.6 | 17.6 | 1.2 | 2.0 | 9.7 | 21.2 | 67.0 | 11.9 | 3.8 | 9.0 | 8.3 | |
| 1983 | | 258 017 | 258 423 | 378 401 | 48.2 | 17.4 | 1.5 | 2.1 | 9.3 | 21.2 | 65.8 | 13.5 | 3.7 | 9.1 | 7.9 | |
| 1984 | | 275 048 | 279 484 | 412 243 | 47.4 | 16.9 | 1.6 | 1.8 | 10.1 | 22.3† | 64.5 | 15.2 | 2.7 | 9.8 | 7.6† | |
| 1985 | | 302 368 | 305 492 | 450 265 | 47.3 | 16.5 | 1.4 | 1.3 | 10.6 | 22.7 | 64.0 | 16.2 | 2.3† | 9.8 | 7.6 | |
| 1986 | | 318 678 | 322 996 | 474 222 | 48.9 | 16.8† | 1.6† | 1.2† | 10.8† | 20.6 | 65.3 | 13.9 | 2.6 | 10.4 | 7.7 | |
| | | | | | | | | | | | | | | FBBO | | |
| 1982 | 4 | 61 191† | 60 874† | 88 619† | 49.2† | 17.6 | 1.3 | 2.1 | 9.8 | 21.3 | 66.3† | 12.9† | 3.6 | 17.1 | | |
| 1983 | 1 | 63 354 | 62 639 | 92 466 | 47.9 | 17.7 | 1.6 | 2.1 | 9.2† | 21.1 | 66.2 | 12.9 | 3.9 | 16.9 | | |
| | 2 | 62 775 | 63 710 | 92 472 | 48.7 | 17.7 | 1.4 | 2.1 | 9.3 | 21.2 | 66.2 | 13.0 | 3.8 | 17.0 | | |
| | 3 | 65 288 | 65 335 | 95 477 | 48.5 | 17.2 | 1.5 | 2.1 | 9.2 | 21.2 | 65.5 | 14.1 | 3.4 | 16.9 | | |
| | 4 | 66 600 | 66 739 | 97 986 | 47.9 | 17.2 | 1.6 | 2.1 | 9.6 | 21.5 | 65.3 | 13.9 | 3.7 | 17.0 | | |
| 1984 | 1 | 67 582 | 68 043 | 99 524 | 47.7 | 17.0 | 1.6 | 2.0 | 9.7 | 22.0 | 64.7 | 14.8 | 3.4 | 17.3† | | |
| | 2 | 67 643 | 68 625 | 101 133 | 48.2 | 17.0 | 1.6 | 1.8 | 10.1 | 21.9† | 64.9 | 14.5 | 3.0 | 17.6 | | |
| | 3 | 68 739 | 70 618 | 103 606 | 47.2 | 17.1 | 1.6 | 1.8 | 10.3 | 22.2 | 63.9 | 15.9 | 2.6 | 17.5 | | |
| | 4 | 71 084 | 72 200 | 107 980 | 46.5 | 16.7 | 1.6 | 1.8 | 10.3 | 23.1 | 64.7 | 15.8 | 2.0 | 17.5 | | |
| 1985 | 1 | 73 817 | 73 879 | 111 296 | 46.4 | 16.4† | 1.3 | 1.4 | 11.1 | 23.4 | 64.3 | 16.7 | 1.5 | 17.5 | | |
| | 2 | 74 706 | 76 100 | 111 865 | 46.8 | 16.5 | 1.4 | 1.3 | 10.1 | 23.5 | 63.7 | 16.5 | 2.5† | 17.3 | | |
| | 3 | 75 900 | 77 132 | 112 224 | 48.2 | 16.4 | 1.5 | 1.3 | 10.6 | 22.0 | 64.1 | 15.8 | 2.7 | 17.4 | | |
| | 4 | 77 945 | 78 581 | 114 880 | 48.0 | 16.5 | 1.5† | 1.1 | 10.6 | 22.0 | 64.0 | 15.9 | 2.5 | 17.5 | | |
| 1986 | 1 | 78 156 | 78 027 | 116 373 | 48.4 | 16.7 | 1.7 | 1.2 | 10.7 | 20.8 | 64.8 | 14.6 | 2.7 | 18.0 | | |
| | 2 | 78 473 | 79 773 | 118 252 | 49.3 | 17.0 | 1.8 | 1.2 | 10.7 | 20.6 | 65.6 | 13.3 | 2.9 | 18.2 | | |
| | 3 | 79 522 | 81 282 | 118 851 | 49.5 | 16.9 | 1.5 | 1.2 | 11.1 | 20.1 | 65.3 | 14.0 | 2.5 | 18.2 | | |
| | 4 | 81 525 | 82 914 | 122 746 | 48.3 | 16.8 | 1.5 | 1.1† | 10.6 | 21.1 | 65.5 | 13.8 | 2.4 | 18.2 | | |

1 After providing for stock appreciation.
2 Gross trading surplus of public corporations and general government enterprises.
3 Rent income, and imputed charge for consumption of non-trading capital.

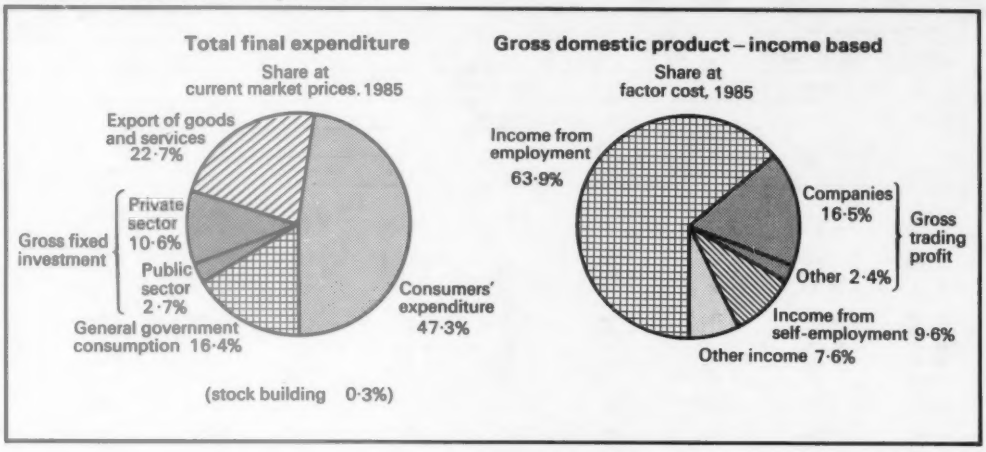
## Income, product and spending per capita

Seasonally adjusted

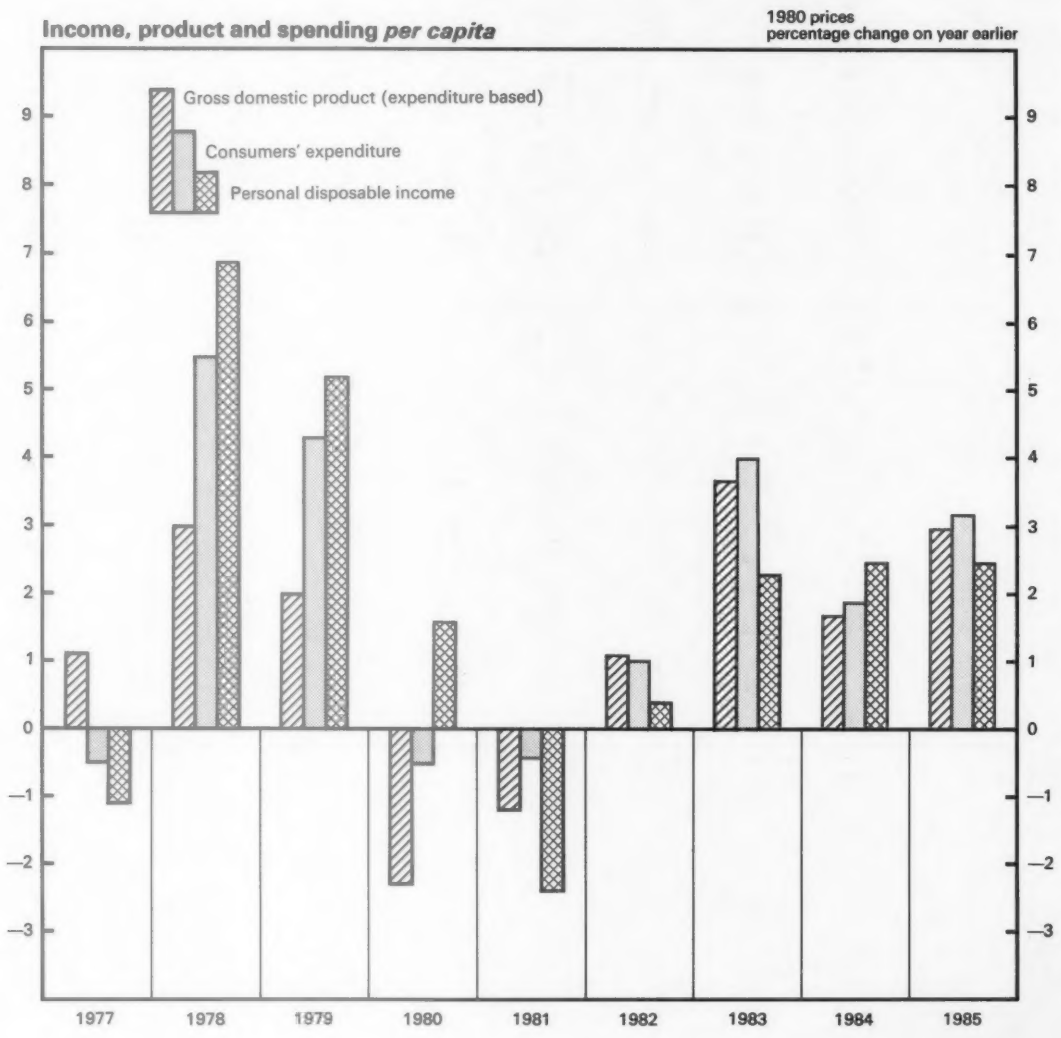
| | | £, current prices | | | | £, 1980 prices | | |
|---|---|---|---|---|---|---|---|---|
| | | Gross national product(1) | Gross domestic product(1,2) | Consumers' expenditure | Personal disposable income | Gross domestic product(1,2) | Consumers' expenditure | Personal disposable income |
| | | FBCA | FBCB | FBCC | FBCD | FBCE | FBCF | FBCH |
| 1981 | | 3 886† | 3 869 | 2 711 | 3 124 | 3 509 | 2 434 | 2 804 |
| 1982 | | 4 195 | 4 176† | 2 971† | 3 409 | 3 541† | 2 455† | 2 816 |
| 1983 | | 4 620 | 4 577 | 3 239 | 3 665 | 3 672 | 2 547 | 2 882 |
| 1984 | | 4 _42 | 4 869 | 3 458 | 3 925 | 3 734 | 2 596 | 2 946 |
| 1985 | | 5 392 | 5 340 | 3 766 | 4 249 | 3 857 | 2 684 | 3 027 |
| 1986 | | 5 700 | 5 625 | 4 089 | | 3 944 | 2 809 | |
| | | | | | | | | CAIU |
| 1982 | 4 | 1 095 | 1 086 | 773 | 875 | 898 | 625 | 707 |
| 1983 | 1 | 1 135† | 1 124† | 786† | 883 | 918 | 627 | 705 |
| | 2 | 1 118 | 1 114 | 798 | 911 | 906 | 633 | 722 |
| | 3 | 1 175 | 1 158 | 822 | 926 | 921 | 643 | 724 |
| | 4 | 1 192 | 1 181 | 833 | 945 | 927† | 644 | 731 |
| 1984 | 1 | 1 211 | 1 197 | 842 | 951 | 933 | 642 | 726 |
| | 2 | 1 213 | 1 198 | 862 | 967 | 925 | 651 | 730 |
| | 3 | 1 237 | 1 217 | 885 | 977 | 931 | 647 | 730 |
| | 4 | 1 281 | 1 257 | 889 | 1 030 | 945 | 656† | 760 |
| 1985 | 1 | 1 321 | 1 305 | 913 | 1 031 | 963 | 662 | 747 |
| | 2 | 1 332 | 1 319 | 925 | 1 051 | 964 | 664 | 754 |
| | 3 | 1 360 | 1 340 | 954 | 1 067 | 963 | 676 | 756 |
| | 4 | 1 379 | 1 376 | 974 | 1 100 | 967 | 682 | 770 |
| 1986 | 1 | 1 412 | 1 398 | 993 | 1 119 | 985 | 688 | 773 |
| | 2 | 1 401 | 1 385 | 1 011 | 1 131 | 981 | 699 | 781 |
| | 3 | 1 427 | 1 403 | 1 039 | 1 165 | 983 | 711 | 794 |
| | 4 | 1 460 | 1 439 | 1 046 | | 995 | 711 | |

1 At factor cost.
2 Based on expenditure data.

## Shares of income and expenditure




## Income, product and spending *per capita*



## Gross domestic fixed capital formation by sector and by type of asset

Seasonally adjusted

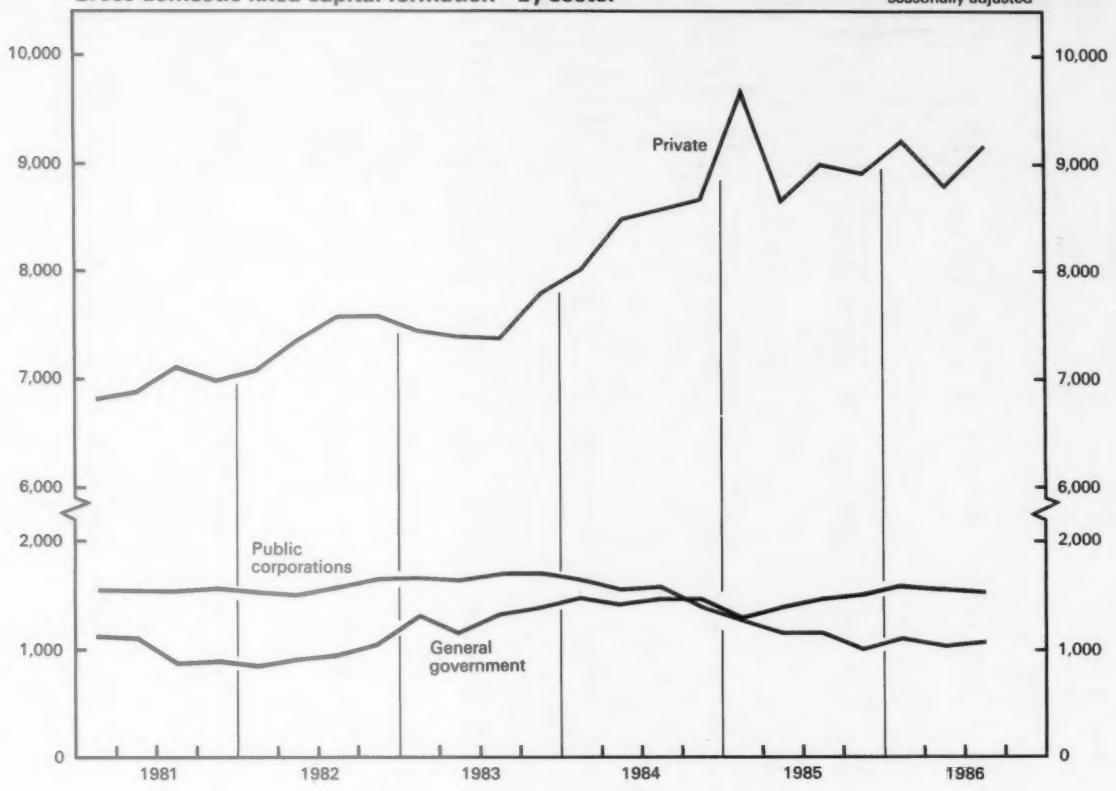
£ million, 1980 prices(1)

| | | Sector(2) | | | Type of asset | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Dwellings | | | | | |
| | | | | | | of which: | | Other new building and works(3) | Vehicles, ships and aircraft | Plant and machinery |
| | | Total | Private sector | General government | Public corporations | Total | Private | Public | | | |
| | | DECU | DFEB | DFED | DFDA | DFEG | DFEA | DFEC | DFCV | DEBP | DEBO |
| 1978 | | 42 726 | 29 201 | 6 718 | 6 807 | 9 048 | 5 934 | 3 114 | 14 563 | 5 187 | 13 928 |
| 1979 | | 43 954 | 30 732 | 6 423 | 6 799 | 9 361 | 6 468 | 2 893 | 14 137 | 5 446 | 15 010 |
| 1980 | | 41 774 | 29 641 | 5 498 | 6 635 | 8 675 | 6 116 | 2 559 | 13 544 | 4 577 | 14 978 |
| 1981 | | 37 844† | 27 739† | 4 060† | 6 045 | 7 174 | 5 454 | 1 720 | 13 220† | 3 549† | 13 901† |
| 1982 | | 39 404 | 29 482 | 3 788 | 6 134 | 7 284 | 5 457 | 1 827 | 14 348 | 3 653 | 14 119 |
| 1983 | | 41 740 | 29 966 | 5 174 | 6 600 | 8 417 | 6 075 | 2 342 | 14 801 | 3 750 | 14 772 |
| 1984 | | 45 490 | 33 675 | 5 790 | 6 025 | 8 867 | 6 616 | 2 251 | 16 190 | 4 369 | 16 064 |
| 1985 | | 46 328 | 36 204 | 5 613 | 4 511 | 8 409 | 6 415 | 1 994 | 15 851 | 4 680 | 17 388 |
| 1986 | | 46 802 | 36 282 | 6 170 | 4 150† | 9 288† | 7 263† | 2 025† | 15 928 | 4 170 | 17 216 |
| 1981 | 4 | 9 418† | 6 976† | 919† | 1 521 | 1 811 | 1 200 | 411 | 3 414† | 937† | 3 454† |
| 1982 | 1 | 9 422 | 7 063 | 861 | 1 498 | 1 704 | 1 279 | 425 | 3 450 | 851 | 3 417 |
| | 2 | 9 722 | 7 328 | 914 | 1 480 | 1 785 | 1 366 | 429 | 3 487 | 872 | 3 568 |
| | 3 | 10 027 | 7 539 | 953 | 1 535 | 1 766 | 1 324 | 442 | 3 683 | 1 013 | 3 565 |
| | 4 | 10 233 | 7 552 | 1 060 | 1 621 | 2 019 | 1 488 | 531 | 3 728 | 917 | 3 569 |
| 1983 | 1 | 10 354 | 7 404 | 1 318 | 1 632 | 2 157 | 1 519 | 638 | 3 683 | 870 | 3 644 |
| | 2 | 10 146 | 7 370 | 1 163 | 1 613 | 2 002 | 1 472 | 530 | 3 558 | 980 | 3 626 |
| | 3 | 10 334 | 7 344 | 1 314 | 1 676 | 2 094 | 1 519 | 575 | 3 654 | 906 | 3 680 |
| | 4 | 10 906 | 7 848 | 1 379 | 1 679 | 2 164 | 1 565 | 599 | 3 906 | 1 014 | 3 822 |
| 1984 | 1 | 11 008 | 7 939 | 1 453 | 1 616 | 2 203 | 1 615 | 588 | 3 989 | 1 043 | 3 773 |
| | 2 | 11 388 | 8 459 | 1 412 | 1 517† | 2 267 | 1 709 | 558 | 4 133 | 996 | 3 992 |
| | 3 | 11 544 | 8 560 | 1 466 | 1 518 | 2 251 | 1 685 | 566 | 4 022 | 1 133 | 4 138 |
| | 4 | 11 550 | 8 717 | 1 459 | 1 374 | 2 146 | 1 607 | 539 | 4 048 | 1 197 | 4 161 |
| 1985 | 1 | 12 123 | 9 579 | 1 294 | 1 250 | 2 100 | 1 574 | 526 | 3 940 | 1 456 | 4 827 |
| | 2 | 11 172 | 8 659 | 1 382 | 1 131 | 2 070 | 1 590 | 480 | 3 963 | 1 121 | 4 018 |
| | 3 | 11 571 | 8 987 | 1 451 | 1 133 | 2 124 | 1 621 | 503 | 3 992 | 1 105 | 4 350 |
| | 4 | 11 462 | 8 979 | 1 486 | 997 | 2 115 | 1 630 | 485 | 3 956 | 998 | 4 393 |
| 1986 | 1 | 11 803 | 9 071 | 1 617 | 1 115 | 2 194† | 1 614† | 580† | 4 143 | 1 025 | 4 441 |
| | 2 | 11 485 | 8 928 | 1 545 | 1 012 | 2 281 | 1 796 | 485 | 3 853 | 1 065 | 4 268 |
| | 3 | 11 804 | 9 269 | 1 471 | 1 044 | 2 469 | 1 991 | 478 | 4 004 | 1 033 | 4 298 |
| | 4 | 11 510 | 8 994 | 1 537 | 979 | 2 344 | 1 862 | 482 | 3 928 | 1 027 | 4 211 |
| | | Percentage change, quarter on corresponding quarter of previous year | | | | | | | | | |
| 1981 | 4 | -8.3 | -2.8 | -29.2 | -3.5 | -20.3 | -17.4 | -27.9 | +1.7 | -14.4 | -3.5 |
| 1982 | 1 | -0.4 | +3.7 | -24.5 | -0.7 | -8.7 | -13.1 | +2.7 | +5.4 | +5.3 | -2.2 |
| | 2 | +2.4 | +6.7 | -18.0 | -2.1 | -4.8 | -4.1 | -6.9 | +8.4 | -7.3 | +3.4 |
| | 3 | +5.9 | +6.4 | +7.7 | +2.1 | -1.5 | -2.5 | +1.8 | +11.1 | +17.4 | +1.8 |
| | 4 | +8.7 | +8.3 | +15.3 | +6.6 | +25.3 | +24.0 | +29.2 | +9.2 | -2.1 | +3.3 |
| 1983 | 1 | +9.9 | +4.8 | +53.1 | +8.9 | +26.6 | +18.8 | +50.1 | +6.8 | +2.2 | +6.6 |
| | 2 | +4.4 | +0.6 | +27.2 | +9.0 | +11.5 | +7.8 | +23.5 | +2.0 | +10.1 | +1.6 |
| | 3 | +3.1 | -2.6 | +37.9 | +9.2 | +18.6 | +14.7 | +30.1 | -0.8 | -10.6 | +3.2 |
| | 4 | +6.6 | +3.9 | +30.1 | +3.6 | +7.2 | +5.2 | +12.8 | +4.8 | +10.6 | +7.1 |
| 1984 | 1 | +6.3 | +7.2 | +10.2 | -1.0 | +2.1 | +6.3 | -7.8 | +8.3 | +19.9 | +3.5 |
| | 2 | +12.2 | +14.8 | +21.4 | -6.0 | +13.2 | +16.1 | +5.3 | +16.2 | +3.8 | +10.1 |
| | 3 | +11.7 | +16.6 | +11.6 | -9.4 | +7.5 | +10.9 | -1.6 | +10.1 | +25.1 | +12.4 |
| | 4 | +5.9 | +11.1 | +5.8 | -18.2 | -0.8 | +2.7 | -10.0 | +3.6 | +18.0 | +8.9 |
| 1985 | 1 | +10.1 | +20.7 | -10.9 | -22.6 | -4.7 | -2.5 | -10.5 | -1.2 | +39.6 | +22.6 |
| | 2 | -1.9 | +2.4 | -2.1 | -25.4 | -8.7 | -7.0 | -14.0 | -4.1 | +12.6 | +0.7 |
| | 3 | +0.2 | +5.0 | -1.0 | -25.4 | -5.6 | -3.8 | -11.1 | -0.7 | -2.5 | +5.1 |
| | 4 | -0.8 | +3.0 | +1.9 | -27.4 | -1.4 | +1.4 | -10.0 | -2.2 | -16.6 | +5.6 |
| 1986 | 1 | -2.6 | -5.3 | +25.0 | -10.8 | +4.5 | +2.5 | +10.3 | +5.2 | -29.6 | -4.0 |
| | 2 | +2.8 | +3.1 | +11.8 | -10.5 | +10.2 | +13.0 | +1.0 | -2.8 | -3.2 | +6.2 |
| | 3 | +2.0 | +3.4 | +1.4 | -7.9 | +16.2 | +22.8 | -5.0 | +0.3 | -6.5 | -1.2 |
| | 4 | +0.4 | +0.2 | +3.4 | -1.8 | +10.8 | +14.2 | -0.6 | -0.7 | +2.9 | -4.1 |

1 For the years before 1978, totals may not equal the sum of their components, because of the method used in rebasing to 1980 prices.
2 Including purchases less sales of land and existing buildings.
3 Including transfer costs of land and buildings.

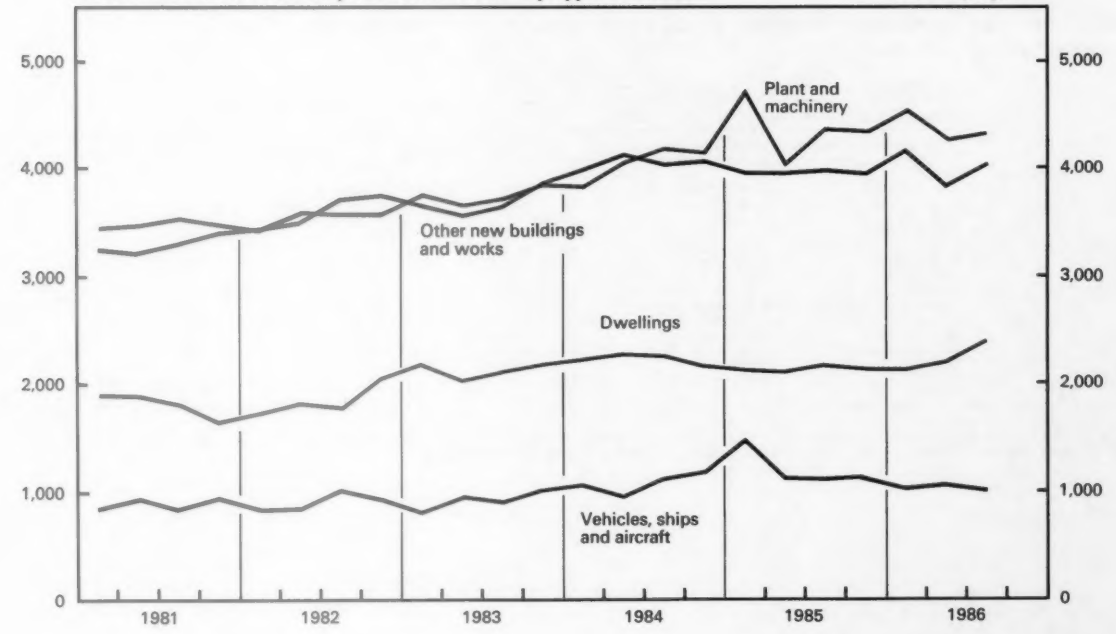
## Gross domestic fixed capital formation—by sector

£ million 1980 prices
seasonally adjusted




## Gross domestic fixed capital formation—by type of asset

£ million 1980 prices
seasonally adjusted



## Indicators of fixed investment by manufacturing industry (revised definition)

| | | Gross fixed investment by manufacturing industry (excluding leased assets) | | | | | | | New orders received by contractors for private industrial work(GB) |
|---|---|---|---|---|---|---|---|---|---|
| | | | Plant and machinery | | | New building and works | | | |
| | | Total* | Gross fixed investment | | CBI Intentions Inquiry | Gross fixed investment | | CBI Intentions Inquiry | |
| | | £ million, 1980 prices, seasonally adjusted | £ million, 1980 prices, seasonally adjusted | Percentage change on year earlier | Balance(1) | £ million, 1980 prices, seasonally adjusted | Percentage change on year earlier | Balance(1) | £ million, 1980 prices, seasonally adjusted |
| | | DECV | FBAJ | FBAX | FBAO | FBAL | FBAM | FBAG | FBAO |
| 1977 | | 6 774 | 4 992 | +3 | .. | 1 136 | +8 | .. | 2 144 |
| 1978 | | 7 219 | 5 319 | +7 | .. | 1 278 | +12 | .. | 2 241 |
| 1979 | | 7 496 | 5 554 | +4 | .. | 1 305 | +2 | .. | 2 241 |
| 1980 | | 6 479 | 4 959 | -11 | .. | 1 053 | -19 | .. | 1 803 |
| 1981 | | 4 865† | 3 719 | -25 | .. | 769 | -27 | .. | 1 611 |
| 1982 | | 4 704 | 3 646 | -2 | .. | 657 | -15 | .. | 1 364 |
| 1983 | | 4 779 | 3 771 | +3 | .. | 585 | -11 | .. | 1 602 |
| 1984 | | 5 755 | 4 439 | +18 | .. | 878 | +50 | .. | 2 227 |
| 1985 | | 5 850 | 4 524 | +2 | .. | 926 | +5 | .. | 2 007 |
| 1986 | | 5 816 | 4 500† | -1† | .. | 922† | -† | .. | 1 838 |
| 1981 | 3 | 1 184† | 924 | -25 | -23 | 187 | -37 | -35 | 483 |
| | 4 | 1 169 | 886 | -18 | -13 | 177 | -27 | -33 | 403 |
| 1982 | 1 | 1 164 | 893 | -9 | -5 | 174 | -24 | -25 | 356 |
| | 2 | 1 173 | 912 | -2 | -2 | 159 | -19 | -25 | 335 |
| | 3 | 1 186 | 920 | - | -11 | 162 | -3 | -28 | 353 |
| | 4 | 1 181 | 920 | +4 | -20 | 163 | -8 | -33 | 321 |
| 1983 | 1 | 1 117 | 890 | - | -5 | 134 | -23 | -28 | 422 |
| | 2 | 1 165 | 923 | +1 | 6 | 138 | -13 | -15 | 376 |
| | 3 | 1 207 | 942 | +2 | 18 | 156 | -4 | -5 | 438 |
| | 4 | 1 290 | 1 015 | +10 | 12 | 156 | -4 | -8 | 365 |
| 1984 | 1 | 1 385 | 1 087† | +20† | 20 | 195 | +46 | -5 | 543 |
| | 2 | 1 421 | 1 096 | +19 | 21 | 214 | +55 | -3 | 543 |
| | 3 | 1 447 | 1 124 | +19 | 14 | 223 | +43 | -5 | 528 |
| | 4 | 1 502 | 1 153 | +14 | 18 | 246 | +58 | -5 | 615 |
| 1985 | 1 | 1 498 | 1 148 | +7 | 11 | 247 | +27 | -8 | 544 |
| | 2 | 1 424 | 1 096 | - | 14 | 231† | +8† | -3 | 641 |
| | 3 | 1 447 | 1 124 | - | - | 224 | - | -21 | 425 |
| | 4 | 1 481 | 1 158 | - | 4 | 225 | -8 | -21 | 397 |
| 1986 | 1 | 1 483 | 1 153 | +1 | 2 | 233 | -6 | -18 | 479 |
| | 2 | 1 455 | 1 141 | +4 | 10 | 216 | -6 | -15 | 451 |
| | 3 | 1 461 | 1 112 | -1 | 5 | 240 | +7 | -15 | 496 |
| | 4 | 1 417 | 1 095 | -6 | 8 | 233 | +4 | -13 | 412 |
| 1987 | 1 | | | | 10 | | | -10 | |

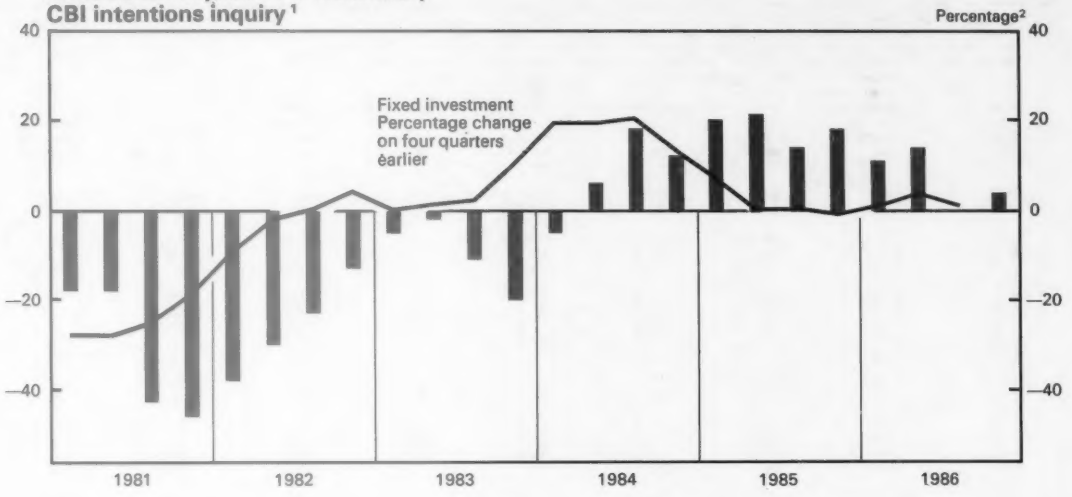
1 Percentage of firms expecting to authorise more in next 12 months less percentage expecting to authorise less.

## Department of Trade and Industry inquiry into investment intentions: manufacturing industry (2)

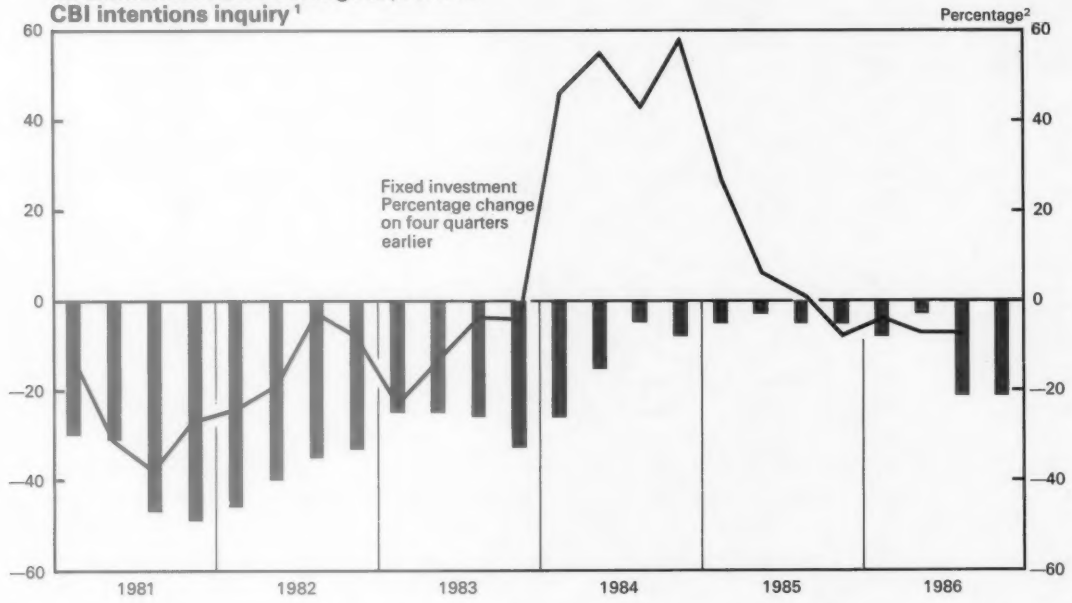
| | Percentage change over previous year, in volume terms | | | | |
|---|---|---|---|---|---|
| | Gross fixed investment (excluding leased assets) | | | | |
| | First December Forecast | First June Forecast | Second December Forecast | Second June Forecast | Actual |
| 1975 | Little change | Little change | -7 to -10 | Of order of -15 | -7 |
| 1976 | Further reduction | Little change | -5 to -8 | About -6 | -5 |
| 1977 | Large increase | Of order of +15 | +10 to +15 | +6 to +10 | +5 |
| 1978 | Strong increase | +20 or more | +10 to +13 | +10 to +13 | +7 |
| 1979 | Rise, less than +8 | Rise less than +8 | +4 to +8 | +2 to +5 | +4 |
| 1980 | Slight fall | Slight fall | -6 to -10 | -8 to -12 | -14 |
| 1981 | Further fall | Fall of up to 8 to 12 | -15 to -20 | -15 to -18 | -25 |
| 1982 | Some recovery | Some recovery | -1 to -3 | -3 to -5 | -3 |
| 1983 | Appreciable increase | Rise, around 5 | Fall, up to 5 | Fall, around 4 | +2 |
| 1984 | No recovery | Slow growth | Rise, around 10 | About +12 | +20 |
| 1985 | Little change | Rise, around 8 | About +7 | Around +9 | +2 |
| 1986 | Slight fall | Slight fall | Rise, around 4 | About +6 | - |
| 1987 | Little change | Small increase | Rise, around 3 | | |
| 1988 | Further rise | | | | |

2 The figures in this table relate to manufacturing industry defined as Orders III to XIX, Standard Industrial Classification (1968) for 1983 and earlier years, and as Divisions 2 to 4, Standard Industrial Classification (1980) for 1984 onwards.

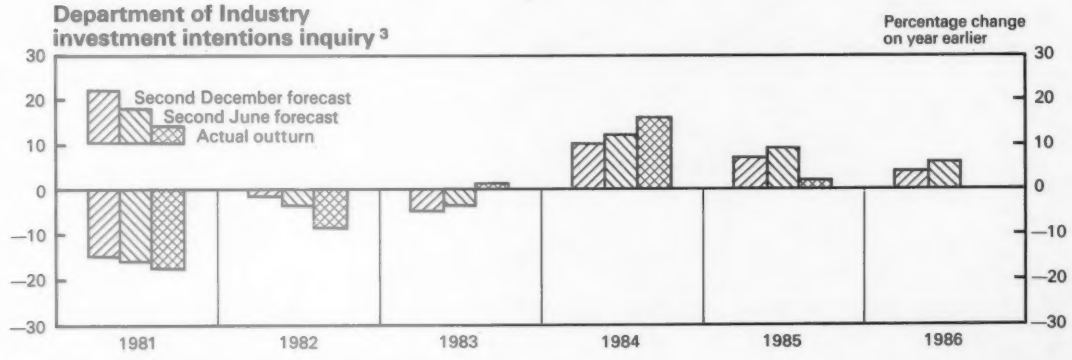
**Investment in plant and machinery**
**CBI intentions inquiry [1]**




**Investment in new buildings and works**
**CBI intentions inquiry [1]**




**Department of Industry**
**investment intentions inquiry [3]**




[1] The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage change in fixed investment

[2] Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less

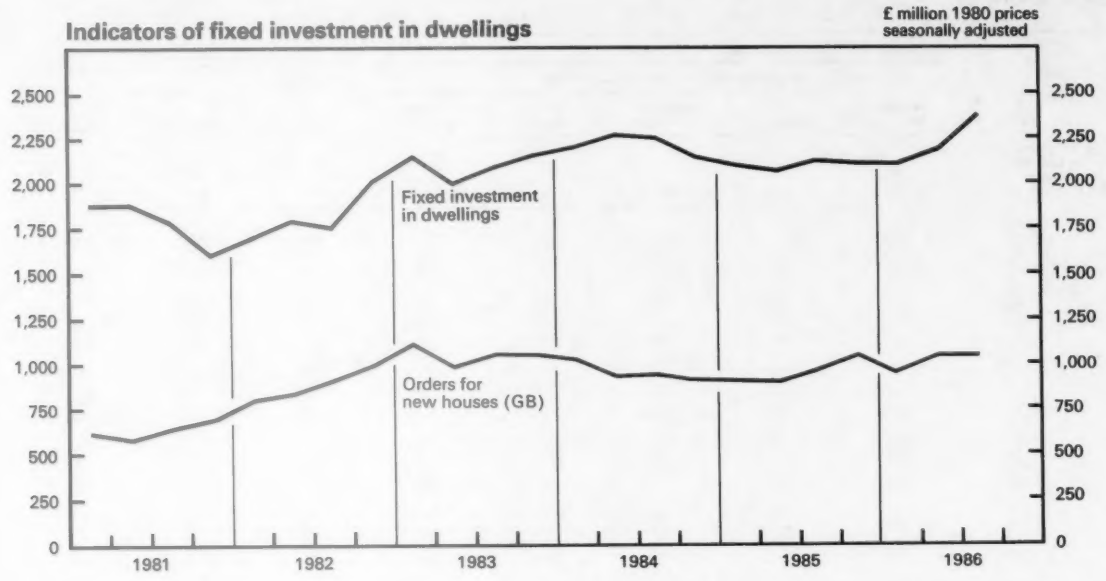
[3] See footnote [2] on page 18

## Indicators of fixed investment in dwellings

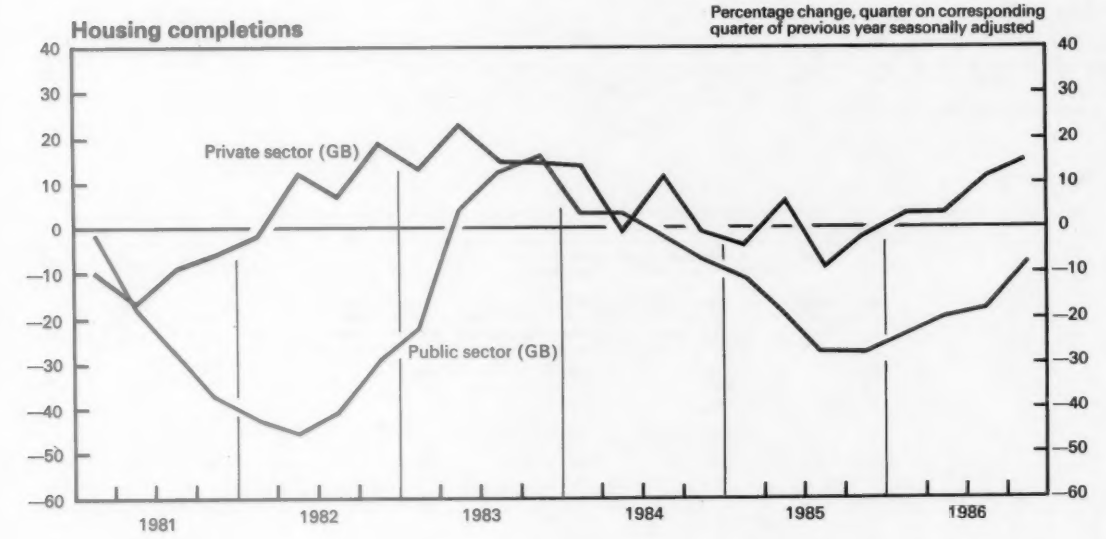
| | | Seasonally adjusted | | | | | | Unadjusted | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | £ million, 1980 prices | | Thousands | | | | £ million | | 1980 = 100 |
| | | | | Housing starts (GB) | | Housing completions (GB) | | Building societies | | |
| | | Fixed investment in dwellings | Orders received by contractors for new houses (GB) | Private sector | Public sector | Private sector | Public sector | Commitments on new dwellings | Advances on new dwellings | Average price of new dwellings: mortgages approved(1) |
| | | DFEG | FCAS | FCAT | FCAU | FCAV | FCAW | AHLO | AHLS | FCAZ |
| 1978 | | 9 048 | 4 733 | 157.3 | 107.4 | 149.0 | 130.7 | 1 523 | 1 504 | 65 |
| 1979 | | 9 381 | 4 001 | 144.0 | 81.2 | 140.5 | 104.0 | 1 498 | 1 519 | 84 |
| 1980 | | 8 675 | 2 702 | 98.9 | 56.4 | 127.5 | 106.9 | 1 444 | 1 406 | 100 |
| 1981 | | 7 174 | 2 559 | 116.7 | 37.2 | 114.2 | 84.7 | 1 427 | 1 456 | 102 |
| 1982 | | 7 284 | 3 548 | 140.5 | 52.8 | 123.9 | 50.1 | 1 931 | 1 716 | 104 |
| 1983 | | 8 417 | 4 231 | 169.8 | 47.6 | 144.3 | 50.5 | 2 419 | 2 330 | 116 |
| 1984 | | 8 867 | 3 826 | 153.7 | 40.2 | 153.3 | 50.1 | 2 980 | 2 900 | 125 |
| 1985 | | 8 409 | 3 856 | 161.8 | 33.6 | 149.6 | 39.1 | 2 963 | 2 900 | 136 |
| 1986 | | 9 288† | 4 120† | | | | | 3 594 | 3 486 | 160 |
| 1981 | 3 | 1 792 | 644 | 30.5 | 9.4 | 29.0 | 19.1 | 347 | 363 | 102 |
| | 4 | 1 811 | 699 | 27.0 | 11.3 | 27.7 | 16.0 | 324 | 337 | 98 |
| 1982 | 1 | 1 704 | 798 | 36.0 | 13.4 | 29.9 | 15.4 | 374 | 347 | 99 |
| | 2 | 1 795 | 839 | 33.6 | 12.7 | 30.0 | 12.0 | 470 | 405 | 104 |
| | 3 | 1 766 | 916 | 35.2 | 12.6 | 30.9 | 11.3 | 493 | 438 | 104 |
| | 4 | 2 019 | 998 | 35.7 | 14.1 | 33.1 | 11.4 | 594 | 526 | 108 |
| 1983 | 1 | 2 157 | 1 114 | 45.5 | 14.9 | 33.8 | 12.0 | 590 | 562 | 112 |
| | 2 | 2 002 | 994 | 41.7 | 11.7 | 37.0 | 12.5 | 565 | 562 | 116 |
| | 3 | 2 094 | 1 062 | 40.6 | 9.7 | 35.5 | 12.9 | 597 | 587 | 116 |
| | 4 | 2 164 | 1 064 | 42.0 | 11.3 | 38.0 | 13.1 | 667 | 619 | 117 |
| 1984 | 1 | 2 203 | 1 032 | 40.4 | 12.1 | 38.7 | 12.3 | 732 | 687 | 121 |
| | 2 | 2 267 | 935 | 38.6 | 10.1 | 36.5 | 12.9 | 817 | 726 | 125 |
| | 3 | 2 251 | 950 | 38.1 | 9.7 | 39.6 | 12.7 | 718 | 760 | 127 |
| | 4 | 2 146 | 909 | 36.6 | 8.3 | 38.5 | 12.2 | 713 | 727 | 125 |
| 1985 | 1 | 2 100 | 911 | 36.9 | 8.2 | 37.1 | 10.8 | 715 | 710 | 130 |
| | 2 | 2 070 | 909 | 40.0 | 8.4 | 38.7 | 10.4 | 686 | 716 | 134 |
| | 3 | 2 124 | 973 | 41.3 | 8.1 | 36.1 | 9.1 | 756 | 703 | 137 |
| | 4 | 2 115 | 1 063 | 43.6 | 8.9 | 37.7 | 8.8 | 806 | 771 | 144 |
| 1986 | 1 | 2 194† | 955 | 40.8† | 7.2† | 38.3 | 8.2 | 810 | 760 | 147 |
| | 2 | 2 281 | 1 045 | 43.8 | 7.5 | 39.7† | 8.5 | 1 005 | 840 | 159 |
| | 3 | 2 469 | 1 044 | 45.6 | 8.7 | 39.9 | 7.5 | 984 | 915 | 165 |
| | 4 | 2 344 | 1 075† | 45.2 | 7.6 | 43.4 | 8.1† | 795 | 971 | 167 |
| 1985 | A | .. | 278 | 13.8 | 2.9 | 13.1 | 3.5 | 215 | 234 | 135 |
| | M | .. | 318 | 13.2 | 2.7 | 12.8 | 3.7 | 243 | 255 | 132 |
| | J | .. | 313 | 13.2 | 2.8 | 12.8 | 3.2 | 228 | 227 | 134 |
| | J | .. | 325 | 13.7 | 2.5 | 11.9 | 2.9 | 233 | 237 | 133 |
| | A | .. | 308 | 13.6 | 2.9 | 11.8 | 3.1 | 252 | 226 | 139 |
| | S | .. | 340 | 14.0 | 2.7 | 12.4 | 3.1 | 271 | 240 | 140 |
| | O | .. | 361 | 15.1 | 2.8 | 12.1 | 2.9 | 270 | 257 | 143 |
| | N | .. | 378 | 14.2 | 3.1 | 12.2 | 2.8 | 286 | 255 | 144 |
| | D | .. | 324 | 14.3 | 2.9 | 13.4 | 3.1 | 250 | 259 | 146 |
| 1986 | J | .. | 372 | 14.4 | 2.5† | 11.7 | 2.7 | 268 | 257 | 146 |
| | F | .. | 279 | 11.3† | 2.1 | 13.1 | 2.6 | 283 | 256 | 146 |
| | M | .. | 304 | 15.1 | 2.6 | 13.5 | 2.9 | 259 | 247 | 150 |
| | A | .. | 345 | 13.0 | 2.7 | 12.7† | 3.1 | 330 | 276 | 156 |
| | M | .. | 328 | 14.9 | 2.2 | 12.6 | 2.3 | 331 | 274 | 158 |
| | J | .. | 372 | 15.9 | 2.6 | 14.4 | 3.1 | 344 | 290 | 163 |
| | J | .. | 366 | 15.3 | 3.0 | 12.7 | 2.1 | 343 | 306 | 164 |
| | A | .. | 347 | 15.6 | 2.7 | 14.0 | 2.8 | 332 | 300 | 165 |
| | S | .. | 331 | 14.7 | 3.0 | 13.2 | 2.6 | 309 | 309 | 165 |
| | O | .. | 372† | 15.2 | 3.0 | 13.4 | 2.5 | 281 | 333 | 166 |
| | N | .. | 363 | 16.7 | 2.3 | 15.3 | 2.5† | 237 | 301 | 167 |
| | D | .. | 340 | 13.3 | 2.3 | 14.7 | 3.1 | 277 | 337 | 169 |
| 1987 | J | .. | | 12.5 | 1.7 | 12.3 | 1.8 | 284† | 179† | 170 |
| | F | .. | | | | | | | | 173† |

1 Mortgages with building societies by private owners. The index covers only dwellings on which building societies have approved mortgages during the period. The cost of land is included.

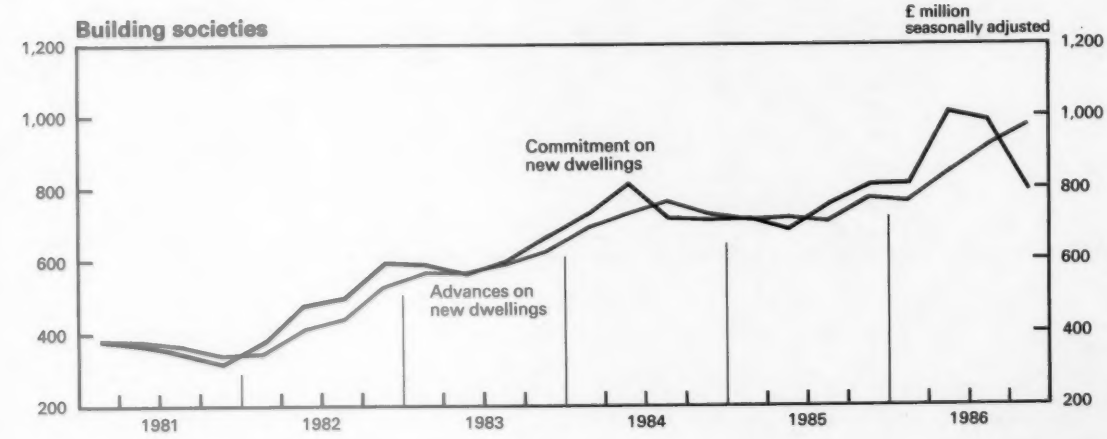
## Indicators of fixed investment in dwellings




## Housing completions




## Building societies



## Stock changes

£ million, 1980 prices, seasonally adjusted

| | | All industries | Energy and Water supply | Manufacturing(1) - revised definition: Total | Materials and fuels | Work in progress | Finished goods | Distribution: Wholesale(2) | Retail(3) | Other industries |
|---|---|---|---|---|---|---|---|---|---|---|
| Value of stocks and work in progress end - December 1985(4) | | 66 844 | 3 738 | 3 1173 | 9 682 | 11 646 | 9 845 | 9 586 | 7 822 | 14 725 |
| | | DGBA | DHBQ | DHBM | DGAX | DGAY | DGAW | DHBO | DHBN | DHBR |
| 1981 | 3 | -300 | -149 | -139 | -159 | 70 | -50 | -3 | -22 | 13 |
| | 4 | -50 | -165 | 165 | -109 | 151 | 124 | -28 | 67 | -89 |
| 1982 | 1 | 575 | 26 | -64 | -37 | -92 | 64 | 332 | 77 | 204 |
| | 2 | 184 | 107 | -19 | 27 | -20 | -26 | 20 | 89 | -13 |
| | 3 | -854 | -123 | -373 | -183 | -131 | -59 | -146 | -31 | -181 |
| | 4 | -1 032 | 22 | -657 | -292 | -229 | -136 | -211 | -166 | -20 |
| 1983 | 1 | 398† | 136 | 38 | -172 | 255 | -45 | -149 | -100 | 471† |
| | 2 | -80 | -72 | -65 | -82 | -95 | 113 | 145 | -88 | - |
| | 3 | 307 | 53 | -274 | -125 | 37 | -186 | 27 | 153 | 348 |
| | 4 | 57 | -129 | 169 | 123 | -16 | 61 | -80 | 26 | 51 |
| 1984 | 1 | 132 | -252 | 105 | -24 | 82 | 67 | 24 | 71 | 184 |
| | 2 | -380 | -238 | -59 | 5 | 54 | -119 | -73 | 107 | -97 |
| | 3 | -157 | -167 | 105 | 49 | 3 | 54 | 32 | -86 | -41 |
| | 4 | 334 | -140 | 150 | -9 | -10 | 169 | -3 | 290 | 37 |
| 1985 | 1 | 29 | -30 | -216 | -6 | -153 | -55 | -80 | 22 | 313 |
| | 2 | 393 | -97 | 215 | -42 | 27 | 230 | 74 | 1 | 200 |
| | 3 | 62 | -56 | -21 | 14 | 72 | -108 | -133 | 93 | 179 |
| | 4 | 120 | 206 | -463 | -89 | -235 | -138 | -38 | 179 | 238 |
| 1986 | 1 | 489 | -178† | -177 | 31 | -112 | -95 | 309† | 112 | 423 |
| | 2 | -96 | -33 | 66† | -23 | 13 | 78† | -185 | 165 | -111 |
| | 3 | -225 | 7 | -51 | -18† | 13† | -46 | -197 | 5 | 11 |
| | 4 | 396 | 106 | -99 | -100 | 48 | -47 | 120 | 166† | 103 |

1 Differences between totals and the sum of constituent parts of manufacturing are due to rounding.
2 Classes 61-63 excluding activity heading 6148; wholesale distribution of motor vehicles and parts.
3 Classes 64-65 excluding activity headings 6510 and 6520; retail distribution of motor vehicles and parts, and filling stations.
4 Unadjusted 1980 price stock levels.

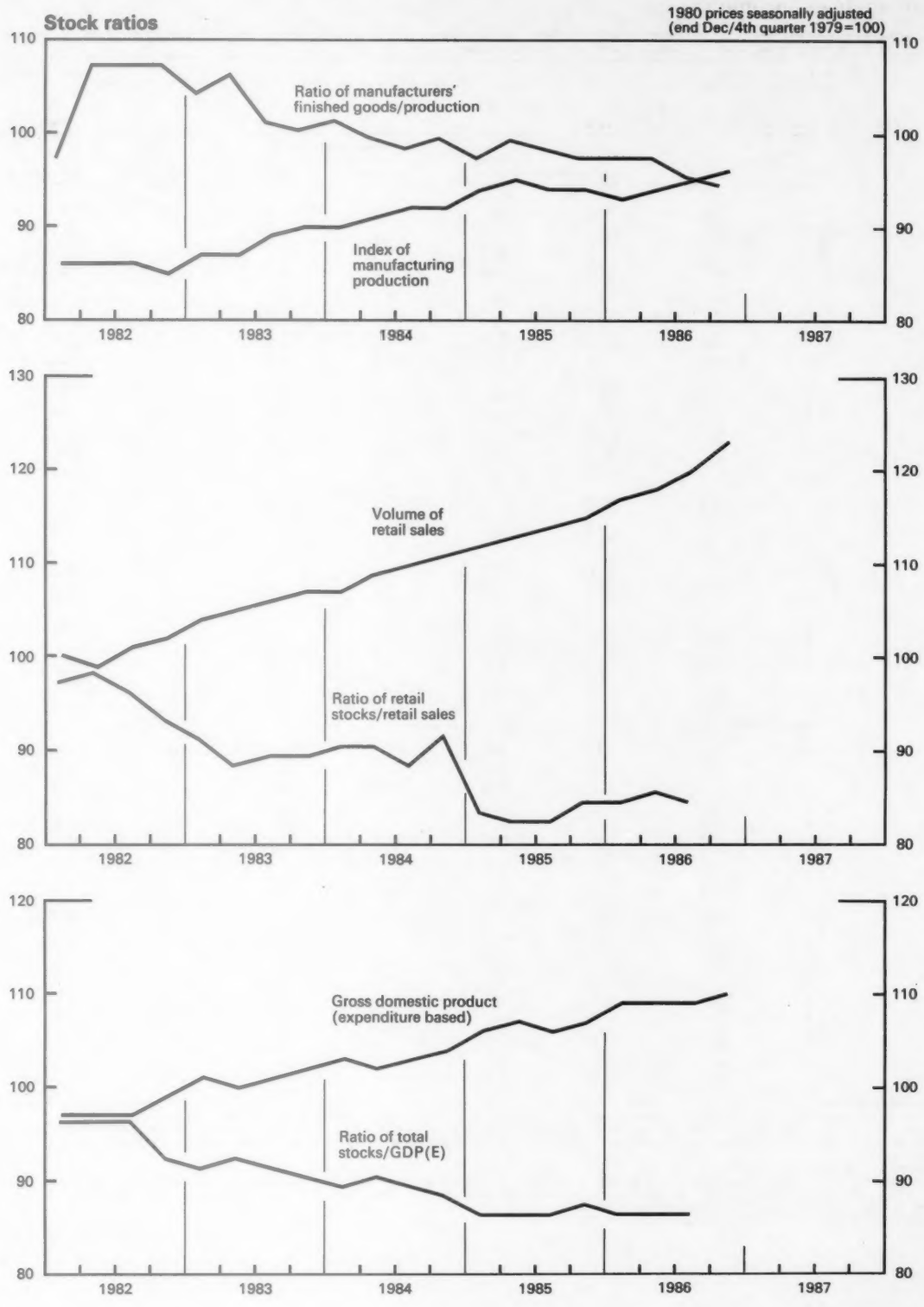
## Stock ratios

Seasonally adjusted

1980 prices: stocks level, end - Dec 1979=100; GDP(E), industrial production and retail sales, 4th quarter 1979=100

| | | Total stocks to gross domestic product (expenditure based) | Manufacturers' stocks to manufacturing production (revised definition): Total stocks | Materials and fuel | Work in progress | Finished goods | Retail stocks to retail sales(1) |
|---|---|---|---|---|---|---|---|
| | | FDCA | FDCB | FDCC | FDCD | FDCE | FDCF |
| 1981 | 3 | 98 | 103 | 97 | 108 | 106 | 96 |
| | 4 | 96 | 103 | 95 | 109 | 107 | 98 |
| 1982 | 1 | 96 | 104 | 95 | 108 | 108 | 97 |
| | 2 | 96 | 103 | 95 | 108 | 107 | 98 |
| | 3 | 96 | 103 | 94 | 108 | 107 | 96 |
| | 4 | 92 | 102 | 92 | 107 | 107 | 93 |
| 1983 | 1 | 91 | 99 | 89 | 106 | 104 | 91 |
| | 2 | 92 | 100 | 88 | 106 | 106 | 88 |
| | 3 | 91 | 97 | 85 | 104 | 101 | 89 |
| | 4 | 90 | 96 | 85 | 102 | 100 | 89 |
| 1984 | 1 | 90† | 95 | 84 | 102 | 101 | 90 |
| | 2 | 90 | 95 | 84 | 102 | 99 | 90 |
| | 3 | 89 | 94 | 83 | 101 | 98 | 88 |
| | 4 | 88 | 94 | 83 | 100 | 99 | 91 |
| 1985 | 1 | 86 | 92 | 82 | 98† | 97 | 90† |
| | 2 | 87 | 92 | 80 | 97 | 99 | 89 |
| | 3 | 87 | 92 | 81 | 98 | 98 | 89 |
| | 4 | 87 | 91 | 81 | 96 | 97 | 91 |
| 1986 | 1 | 86 | 91 | 82† | 96 | 97 | 91 |
| | 2 | 86 | 91 | 81 | 95 | 97 | 92 |
| | 3 | 85 | 90 | 80 | 95 | 95 | 90 |
| | 4 | 85 | 88† | 78 | 94 | 94† | 90 |

1 Classes 64-65 excluding activity headings 6510 and 6520, retail distribution of motor vehicles and parts, and filling stations.

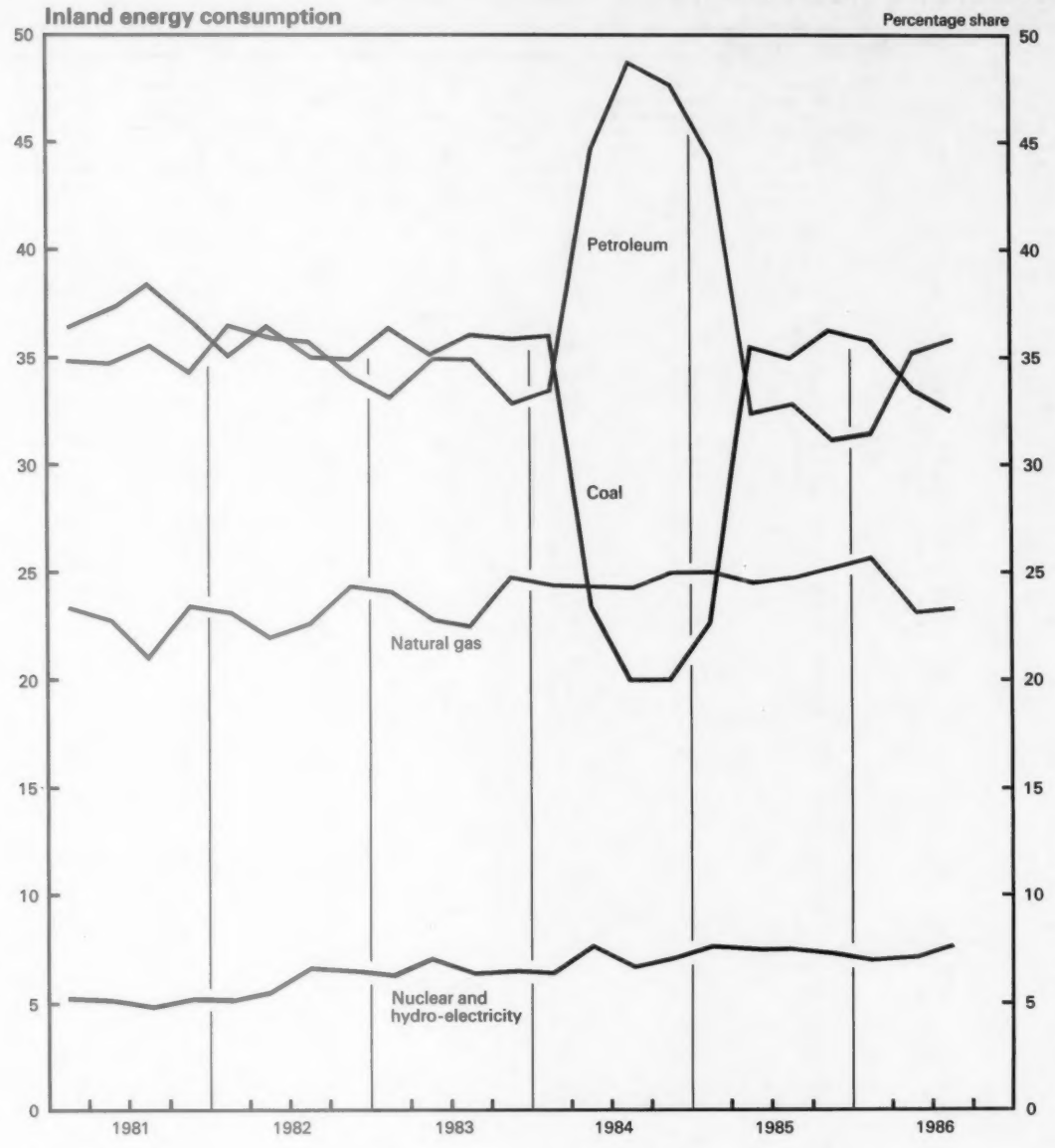

Stock ratios
1980 prices seasonally adjusted
(end Dec/4th quarter 1979=100)
Ratio of manufacturers' finished goods/production
Index of manufacturing production
Volume of retail sales
Ratio of retail stocks/retail sales
Gross domestic product (expenditure based)
Ratio of total stocks/GDP(E)
110
100
90
80
130
120
1982
1983
1984
1985
1986
1987

## Inland energy consumption

Annual rates, seasonally adjusted and temperature corrected

| | | Primary fuel input | | | | | | | Public supply |
|---|---|---|---|---|---|---|---|---|---|
| | | Million tonnes of coal or coal equivalent | | | | | | | Thousand million kilowatt hours |
| | | Total | Coal(1,2) | Petroleum(3) | Natural gas(4) | Primary electricity(5) Nuclear | Hydro(6) | Net imports | Electricity available-GB(7) |
| | | FDAH | FDAI | FDAJ | FDAK | FDAL | FDAM | FDAW | FDAN |
| 1975 | | 326.9 | 120.6 | 137.1 | 56.3 | 10.9 | 2.0 | - | 234.2 |
| 1976 | | 331.5 | 123.0 | 134.2 | 59.5 | 12.9 | 1.9 | - | 236.7 |
| 1977 | | 338.2 | 122.4 | 136.8 | 62.7 | 14.3 | 2.0 | - | 240.2 |
| 1978 | | 339.1 | 119.4 | 139.2 | 65.0 | 13.4 | 2.1 | - | 246.3 |
| 1979 | | 349.3 | 127.2 | 137.0 | 69.1 | 13.8 | 2.2 | - | 255.0 |
| 1980 | | 327.2 | 120.1 | 121.2 | 70.5 | 13.4 | 2.0 | - | 245.9 |
| 1981 | | 315.3 | 117.5 | 110.2 | 71.6 | 13.7 | 2.3 | - | 239.2 |
| 1982 | | 311.7 | 109.6 | 110.8 | 72.9 | 16.0 | 2.4 | - | 236.2 |
| 1983 | | 313.6 | 111.6 | 105.9 | 75.8 | 18.1 | 2.4 | - | 242.3 |
| 1984 | | 312.1 | 78.5 | 134.7 | 77.3 | 19.5 | 2.1 | - | 246.0 |
| 1985 | | 323.4 | 104.7 | 113.8 | 80.8 | 22.2 | 2.2 | - | 255.8 |
| 1981 | 2 | 311.7 | 116.1 | 108.5 | 71.1 | 14.1 | 1.9 | - | 238.9 |
| | 3 | 319.2 | 123.0 | 113.5 | 67.5 | 13.4 | 1.8 | - | 242.0 |
| | 4 | 312.9 | 115.6 | 107.4 | 73.6 | 13.8 | 2.5 | - | 240.3 |
| 1982 | 1 | 312.3 | 109.4 | 114.4 | 72.6 | 13.5 | 2.4 | - | 238.3 |
| | 2 | 305.3 | 111.4 | 110.0 | 67.2 | 14.2 | 2.5 | - | 235.4 |
| | 3 | 317.7 | 111.3 | 113.7 | 71.8 | 16.8 | 2.1 | - | 243.5 |
| | 4 | 307.3 | 107.4 | 105.0 | 74.9 | 17.4 | 2.6 | - | 236.3 |
| 1983 | 1 | 311.0 | 113.1 | 103.0 | 75.3 | 16.8 | 2.8 | - | 236.4 |
| | 2 | 310.6 | 109.0 | 108.4 | 71.1 | 19.4 | 2.7 | - | 241.7 |
| | 3 | 322.1 | 116.3 | 112.6 | 72.6 | 18.9 | 1.7 | - | 248.4 |
| | 4 | 309.4 | 110.9 | 101.7 | 76.8 | 17.8 | 2.2 | - | 242.8 |
| 1984 | 1 | 312.3 | 112.8 | 103.1 | 76.6 | 17.5 | 2.4 | - | 242.3 |
| | 2 | 306.6 | 71.9 | 136.5 | 74.7 | 21.6 | 2.0 | - | 244.3 |
| | 3 | 312.4 | 62.6 | 152.8 | 76.0 | 19.5 | 1.4 | - | 250.3 |
| | 4 | 313.1 | 62.6 | 149.9 | 78.5 | 20.1 | 2.0 | - | 247.2 |
| 1985 | 1 | 319.1 | 72.5 | 141.8 | 80.2 | 22.6 | 2.1 | - | 249.8 |
| | 2 | 329.0 | 116.9 | 106.6 | 80.9 | 22.7 | 2.0 | - | 258.4 |
| | 3 | 328.4 | 114.7 | 107.8 | 81.2 | 22.6 | 2.1 | - | 260.2 |
| | 4 | 317.4 | 115.0 | 99.1 | 80.2 | 21.0 | 2.2 | - | 254.9 |
| 1986 | 1 | 324.6 | 116.1 | 102.2 | 83.8 | 20.4 | 2.2 | 0.2 | 258.3 |
| | 2 | 333.6 | 111.8 | 118.3 | 77.7 | 21.9 | 2.2 | 1.6 | 265.3 |
| | 3 | 327.7 | 106.6 | 118.0 | 76.6 | 22.8 | 2.4 | 1.3 | 260.4 |
| | | Percentage change, quarter on corresponding quarter of previous year | | | | | | | |
| | | FDAO | FDAP | FDAQ | FDAR | FDAS | FDAT | FDAX | FDAU |
| 1981 | 2 | -5.1 | -4.8 | -11.1 | +1.7 | +9.3 | +35.7 | - | -3.7 |
| | 3 | -1.4 | +3.1 | -7.8 | +2.1 | +7.6 | -33.3 | - | -2.8 |
| | 4 | -2.6 | -1.7 | -5.9 | +2.6 | -2.8 | +8.7 | - | -1.6 |
| 1982 | 1 | -1.7 | -5.6 | +2.9 | -2.3 | +0.4 | -20.0 | - | +1.1 |
| | 2 | -2.0 | -0.4 | +1.3 | -5.4 | +0.4 | +30.4 | - | -1.5 |
| | 3 | -0.5 | -9.5 | +0.1 | +6.7 | +40.2 | +14.7 | - | +0.6 |
| | 4 | -1.8 | -7.1 | -2.2 | +1.7 | +25.5 | +4.6 | - | -1.7 |
| 1983 | 1 | -1.4 | +0.5 | -10.0 | +3.7 | +23.9 | +18.5 | - | -0.8 |
| | 2 | +1.6 | -2.5 | -1.5 | +5.8 | +36.7 | +8.8 | - | +2.7 |
| | 3 | +0.9 | +3.1 | -1.0 | +1.1 | +0.5 | -19.7 | - | +2.0 |
| | 4 | +1.0 | +4.3 | -3.1 | +2.5 | +2.3 | -14.0 | - | +2.8 |
| 1984 | 1 | +0.4 | -0.2 | - | +1.7 | +4.3 | -15.8 | - | +2.5 |
| | 2 | -1.3 | -34.0 | +25.9 | +5.0 | +10.9 | -25.8 | - | +1.1 |
| | 3 | -3.0 | -46.1 | +35.8 | +4.7 | +2.8 | -15.6 | - | +0.8 |
| | 4 | +1.2 | -43.5 | +47.5 | +2.2 | +12.6 | -9.6 | - | -1.2 |
| 1985 | 1 | +2.2 | -35.8 | +37.6 | +4.7 | +29.5 | +11.9 | - | +3.1 |
| | 2 | +7.3 | +62.6 | -21.9 | +8.3 | +5.1 | -15.8 | - | +5.8 |
| | 3 | +5.1 | +83.2 | -29.4 | +7.4 | +16.0 | -7.0 | - | +4.0 |
| | 4 | +1.3 | +83.6 | -33.9 | +2.0 | +4.8 | +5.8 | - | +3.1 |
| 1986 | 1 | +0.9 | +80.1 | -27.9 | +4.5 | -9.7 | +6.8 | + | +3.4 |
| | 2 | +1.4 | -4.4 | +11.0 | -3.9 | -3.3 | +14.2 | + | +2.6 |
| | 3 | -0.2 | -7.0 | +9.4 | -5.6 | +0.8 | +14.8 | - | +0.1 |

1 Consumption by fuel producers plus colliery disposals to final users plus net foreign trade and stock change in other solid fuels.
2 Coal data for 1983 have been adjusted, for the purposes of comparison with 1984, to take account of calendar differences between 1983 and 1984.
3 Inland deliveries for energy use plus refinery fuel and losses minus the difference between deliveries and actual consumption at power stations and gas works.
4 Excluding gas flared or re-injected.
5 Data for primary electricity are not temperature corrected, and hydro electricity and net imports are not seasonally adjusted.
6 Hydro electricity quarterly data from Q1 1985 onwards are the estimated annual outturn. Comparisons with 1984 are based on corresponding estimated outturns in that year,not the data shown in the table.
7 The inclusion of Northern Ireland would add about 2 per cent to the total.


Inland energy consumption
Percentage share
50
45
40
35
30
25
20
15
10
5
0
Petroleum
Coal
Natural gas
Nuclear and
hydro-electricity
1981
1982
1983
1984
1985
1986

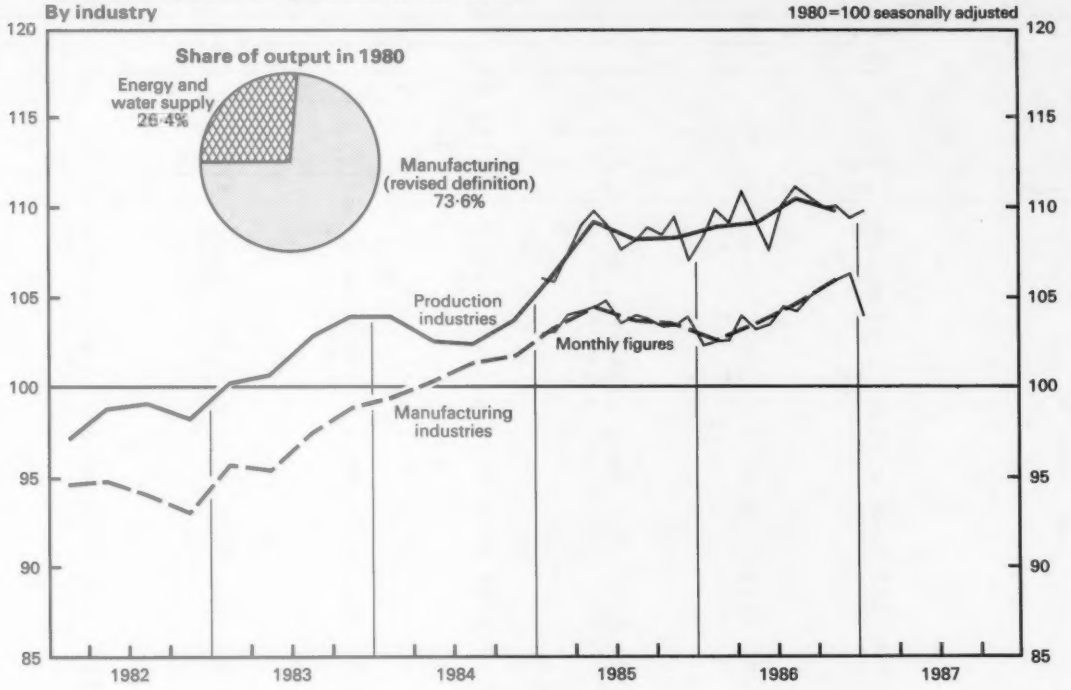
## Index of output of the production and construction industries

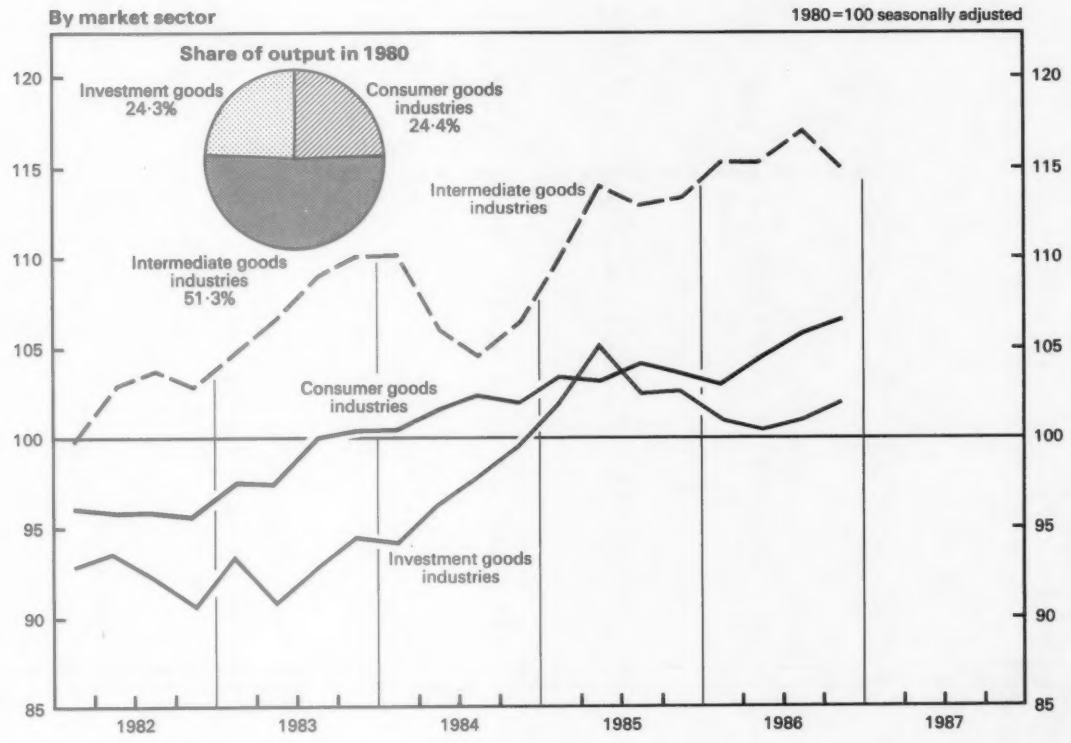
1980 = 100, seasonally adjusted

| | | Total production industries | Energy and water supply | Total manufacturing industries(1) | Construction | Total production and construction | Consumer goods industries | Investment goods industries | Intermediate goods industries |
|---|---|---|---|---|---|---|---|---|---|
| 1980 weights | | 1 000 | 284 | 736 | | | 245 | 243 | 512 |
| PPT of GDP(O) | | 361 | 95 | 266 | 63(2) | 424 | 88 | 88 | 185 |
| | | DVIM | DVIN | DVIS | DVJO | DVJN | DVJP | DVJV | DVJZ |
| 1980 | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0† | 100.0 |
| 1981 | | 96.6 | 103.8 | 94.0 | 89.9 | 95.6 | 96.4 | 91.3 | 99.2 |
| 1982 | | 98.4 | 110.0 | 94.2 | 91.6 | 97.4 | 95.8 | 92.4 | 102.3 |
| 1983 | | 101.9 | 115.9 | 96.9 | 95.3 | 100.9 | 98.8 | 92.9 | 107.6 |
| 1984 | | 103.2 | 110.1 | 100.7 | 98.6 | 102.5 | 101.6 | 97.1 | 106.8 |
| 1985 | | 106.1 | 120.1 | 103.8 | 99.8 | 106.9 | 103.6 | 103.2 | 112.6 |
| 1986 | | 109.7† | 125.2 | 104.1 | 102.0† | 108.5† | 105.0 | 101.2 | 115.8† |
| 1981 | 2 | 95.8 | 103.3 | 93.2 | 89.5 | 94.9† | 95.5 | 90.6 | 98.4 |
| | 3 | 97.3 | 103.8 | 95.0 | 90.9 | 96.3 | 97.4 | 91.9 | 99.6 |
| | 4 | 98.3 | 106.5 | 95.3 | 88.9 | 96.6 | 96.7 | 92.9 | 101.7 |
| 1982 | 1 | 97.2 | 104.1 | 94.7 | 89.1 | 96.0 | 96.1 | 92.9 | 99.8 |
| | 2 | 98.9 | 110.0 | 94.9 | 90.6 | 97.7 | 95.8 | 93.7 | 102.9 |
| | 3 | 99.2 | 113.3 | 94.1 | 92.6 | 98.2 | 95.9 | 92.3 | 103.8 |
| | 4 | 98.2 | 112.5 | 93.1 | 94.3 | 97.6 | 95.6 | 90.7 | 102.8 |
| 1983 | 1 | 100.3 | 112.8 | 95.8 | 93.7 | 99.3 | 97.6 | 93.5 | 104.8 |
| | 2 | 100.6 | 115.0 | 95.4 | 92.1 | 99.3 | 97.4 | 90.8 | 106.7 |
| | 3 | 102.8 | 117.6 | 97.5 | 97.7 | 102.0 | 100.0 | 92.8 | 109.0 |
| | 4 | 104.0 | 118.0 | 98.9 | 97.8 | 103.1 | 100.4 | 94.5 | 110.1 |
| 1984 | 1 | 104.0 | 116.8 | 99.4 | 97.0 | 103.0 | 100.5 | 94.3 | 110.2 |
| | 2 | 102.6 | 109.1 | 100.3 | 98.1 | 101.9 | 101.7 | 96.4 | 106.1 |
| | 3 | 102.4 | 105.3 | 101.4 | 100.5 | 102.1 | 102.4 | 97.9 | 104.6 |
| | 4 | 103.7 | 109.4 | 101.7 | 98.7 | 103.0 | 102.0 | 99.6 | 106.4 |
| 1985 | 1 | 106.4 | 115.0 | 103.3 | 99.5 | 105.4 | 103.4 | 102.1† | 109.8 |
| | 2 | 109.3 | 122.6 | 104.5 | 100.0 | 107.9 | 103.2 | 105.3 | 114.1 |
| | 3 | 108.3 | 120.9 | 103.7† | 99.1 | 106.9* | 104.2† | 102.6 | 113.0 |
| | 4 | 108.4 | 121.8 | 103.5 | 100.8 | 107.3 | 103.7 | 102.7 | 113.4 |
| 1986 | 1 | 109.0† | 127.2 | 102.5 | 98.2† | 107.4 | 103.0 | 101.2 | 115.4 |
| | 2 | 109.2 | 125.3 | 103.5 | 102.1 | 108.1 | 104.5 | 100.5 | 115.4† |
| | 3 | 110.6 | 127.5† | 104.6 | 103.4 | 109.5 | 105.8 | 101.1 | 117.2 |
| | 4 | 109.8 | 120.8 | 106.0 | 104.2 | 109.0 | 106.6 | 102.1 | 115.0 |
| 1984 | A | 102.0 | 103.8 | 101.4 | .. | .. | 101.7 | 97.8 | 104.3 |
| | S | 103.0 | 106.1 | 101.9 | .. | .. | 103.4 | 98.6 | 104.9 |
| | O | 103.6 | 110.4 | 101.2 | .. | .. | 102.2 | 98.9 | 106.5 |
| | N | 103.3 | 108.7 | 101.4 | .. | .. | 101.6 | 99.3 | 106.0 |
| | D | 104.2 | 109.1 | 102.4 | .. | .. | 102.2 | 100.6 | 106.6 |
| 1985 | J | 106.1 | 115.0 | 102.9 | .. | .. | 103.1 | 101.6 | 109.6 |
| | F | 105.8 | 113.4 | 103.1 | .. | .. | 103.1 | 101.6† | 108.9 |
| | M | 107.4 | 116.7 | 104.0 | .. | .. | 104.0 | 103.1 | 110.8 |
| | A | 109.0 | 122.2 | 104.2 | .. | .. | 102.8 | 104.9 | 113.9 |
| | M | 109.8 | 124.8 | 104.4 | .. | .. | 102.9 | 105.7 | 115.1† |
| | J | 109.0† | 120.8 | 104.8† | .. | .. | 104.0 | 105.4 | 113.3 |
| | J | 107.7 | 119.3 | 103.5 | .. | .. | 103.6 | 102.4 | 112.1 |
| | A | 108.2 | 120.0 | 104.0 | .. | .. | 104.6† | 102.5 | 112.8 |
| | S | 108.9 | 123.5 | 103.7 | .. | .. | 104.3 | 102.8 | 114.1 |
| | O | 108.5 | 123.0 | 103.3 | .. | .. | 102.6 | 103.2 | 113.9 |
| | N | 109.5 | 126.3 | 103.4 | .. | .. | 104.3 | 101.6 | 115.9 |
| | D | 107.1 | 116.2 | 103.9 | .. | .. | 104.3 | 103.2 | 110.5 |
| 1985 | J | 108.2 | 124.6 | 102.3 | .. | .. | 102.1 | 101.1 | 114.2 |
| | F | 108.8 | 129.7 | 102.6 | .. | .. | 103.6 | 101.1 | 116.7 |
| | M | 109.1 | 127.4 | 102.5 | .. | .. | 103.2 | 101.5 | 115.3 |
| | A | 110.8 | 130.1 | 103.9 | .. | .. | 104.8 | 101.1 | 118.1 |
| | M | 109.2 | 126.0 | 103.2 | .. | .. | 104.0 | 100.4 | 115.8 |
| | J | 107.7 | 119.8† | 103.4 | .. | .. | 104.6 | 100.1 | 112.8 |
| | J | 110.2 | 126.2 | 104.5 | .. | .. | 105.4 | 101.3 | 116.5 |
| | A | 111.1 | 130.2 | 104.2 | .. | .. | 106.1 | 100.1 | 118.5 |
| | S | 110.6 | 126.0 | 105.1 | .. | .. | 106.0 | 101.8 | 116.7 |
| | O | 110.0 | 122.6 | 105.5 | .. | .. | 105.7 | 102.3 | 115.7 |
| | N | 110.1 | 121.4 | 106.1 | .. | .. | 107.8 | 101.7 | 115.2 |
| | D | 109.4 | 117.9 | 106.3 | .. | .. | 105.2 | 102.2 | 114.2 |
| 1987 | J | 109.8 | 126.4 | 103.9 | .. | .. | 105.8 | 100.7 | 116.0 |

1 The figures for manufacturing industries contain an adjustment for stock changes and for measurement bias - see Annual Supplement 1987 edition.
1 For an index of construction output for Great Britain, see page 30.

## Index of output of the production industries



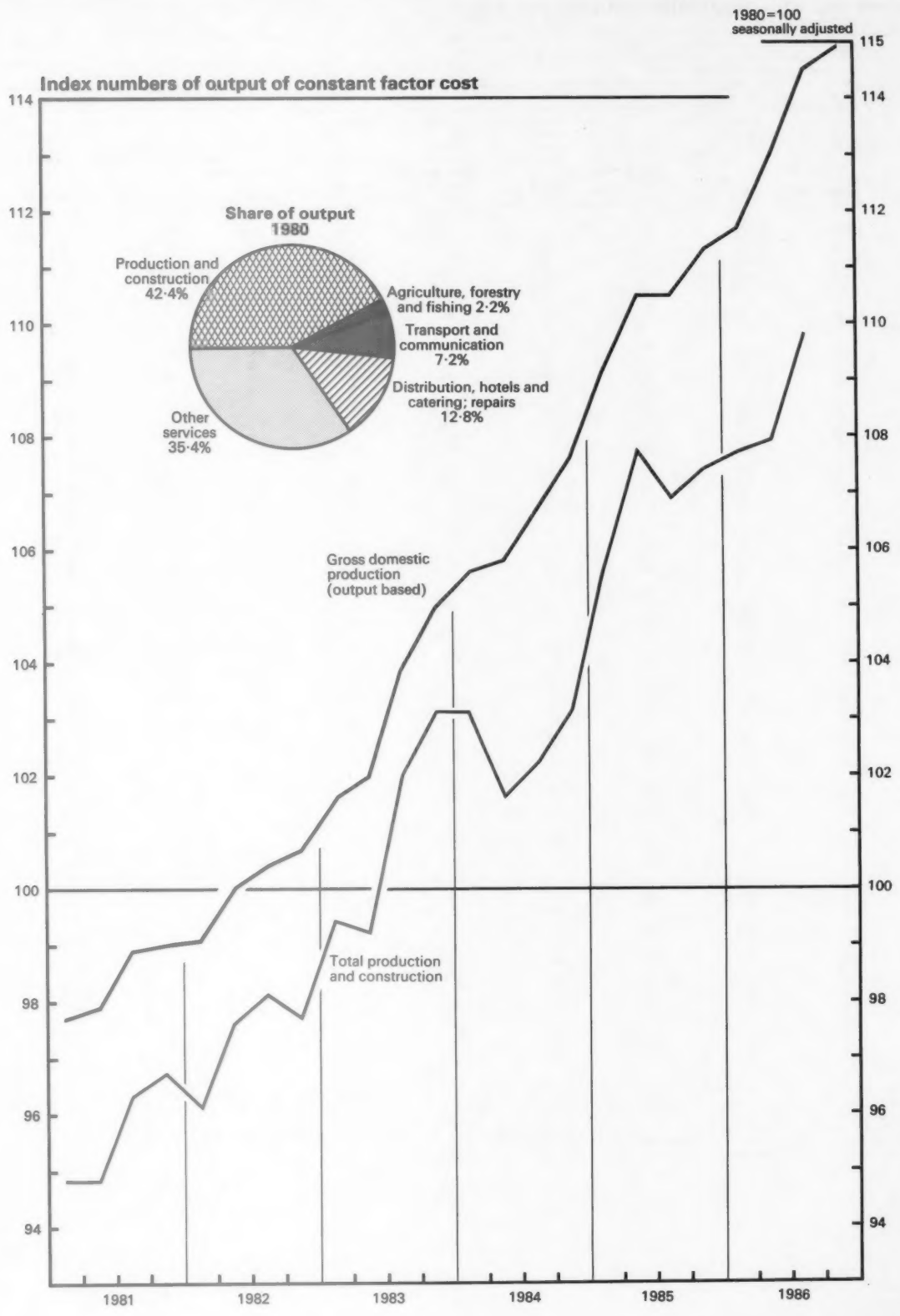
## Index numbers of output at constant factor cost

Seasonally adjusted

1980 = 100

| | | Gross domestic product | Agriculture, forestry and fishing | Production and construction(1) | Service industries: Distribution, hotels and catering; repairs | Service industries: Transport and communication | Service industries: Other services | Service industries: Total services |
|---|---|---|---|---|---|---|---|---|
| 1980 weights | | 1 000 | 22 | 424 | 128 | 72 | 354 | 554 |
| | | DSAE | CKAP | DVJN | CKAQ | CKAR | CKAS | CKCE |
| 1978 | | 99.6 | 91.5 | 103.4 | 103.6 | 96.9 | 94.7 | 97.1 |
| 1979 | | 102.8 | 90.1 | 106.9 | 106.6 | 101.3 | 97.5 | 100.1 |
| 1980 | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 1981 | | 98.4† | 102.6 | 95.6 | 98.1 | 100.2† | 101.1† | 100.3† |
| 1982 | | 100.0 | 111.2 | 97.4 | 99.9 | 99.3 | 102.8 | 101.7 |
| 1983 | | 103.1 | 108.1 | 100.9 | 103.4 | 102.3 | 105.7 | 104.7 |
| 1984 | | 106.4 | 121.3 | 102.5 | 108.2 | 106.3 | 109.6 | 108.8 |
| 1985 | | 110.4 | 117.1 | 106.9 | 112.0 | 112.3 | 113.2 | 112.8 |
| 1986 | | 113.5 | 120.6† | 108.5† | 116.7† | 116.3 | 117.4 | 117.1 |
| 1980 | 4 | 97.7 | 101 | 95.1† | 97 | 97 | 101 | 99.3 |
| 1981 | 1 | 97.7† | 101 | 94.7 | 98 | 99 | 101 | 99.9† |
| | 2 | 97.9 | 101 | 94.9 | 98 | 99 | 101 | 100.1 |
| | 3 | 98.9 | 103 | 96.3 | 99 | 101 | 101† | 100.7 |
| | 4 | 99.0 | 105 | 98.6 | 97 | 102 | 102 | 100.5 |
| 1982 | 1 | 99.1 | 109 | 96.0 | 99 | 99 | 102 | 101.2 |
| | 2 | 100.0 | 112 | 97.7 | 99 | 100 | 102 | 101.2 |
| | 3 | 100.4 | 113 | 98.2 | 100 | 98 | 103 | 101.7 |
| | 4 | 100.7 | 111 | 97.6 | 101 | 100 | 104 | 102.6 |
| 1983 | 1 | 101.6 | 108 | 99.3 | 102 | 101 | 104 | 103.3 |
| | 2 | 102.0 | 104 | 99.3 | 102 | 102 | 105 | 104.0 |
| | 3 | 103.9 | 105 | 102.0 | 104 | 103 | 106 | 105.3 |
| | 4 | 105.0 | 110 | 103.1 | 105 | 104 | 107 | 106.3 |
| 1984 | 1 | 105.6 | 117 | 103.0 | 106 | 104 | 108 | 107.1 |
| | 2 | 105.8 | 123 | 101.9 | 108 | 105 | 109 | 108.1 |
| | 3 | 106.7 | 124 | 102.1 | 109 | 107 | 110 | 109.5 |
| | 4 | 107.6 | 121 | 103.0 | 111 | 109† | 111 | 110.6 |
| 1985 | 1 | 109.2 | 118 | 105.4 | 111 | 111 | 112 | 111.7 |
| | 2 | 110.5 | 116 | 107.9 | 111 | 112 | 113 | 112.4 |
| | 3 | 110.5 | 117 | 106.9 | 112 | 112 | 114 | 113.1 |
| | 4 | 111.3 | 118 | 107.3 | 113 | 113 | 114 | 114.1 |
| 1986 | 1 | 111.7 | 120 | 107.4 | 114† | 114 | 115 | 114.7 |
| | 2 | 113.0 | 120 | 108.1 | 116 | 116 | 117 | 116.4 |
| | 3 | 114.5 | 121 | 109.5 | 118 | 116 | 118 | 118.1 |
| | 4 | 114.9 | 121† | 109.0 | 119 | 118 | 119 | 119.1 |
| | | Percentage change, quarter on corresponding quarter of previous year | | | | | | |
| 1980 | 4 | -5.7 | +9 | -11.5† | -9 | -6 | +2 | -1.6 |
| 1981 | 1 | -4.8 | +4 | -10.0 | -5 | -5 | +1 | -0.9 |
| | 2 | -2.7 | +1 | -6.4 | -3 | -2 | +1 | -0.2 |
| | 3 | -0.2 | +1 | -2.0 | - | +3 | +1 | +1.1 |
| | 4 | +1.3 | +4 | +1.6 | - | +5 | +1 | +1.2 |
| 1982 | 1 | +1.5 | +8 | +1.4 | +1 | - | +2 | +1.2 |
| | 2 | +2.1 | +11 | +3.0 | +1 | +1 | +1 | +1.1 |
| | 3 | +1.6 | +10 | +2.0 | +2 | -3 | +2 | +1.0 |
| | 4 | +1.7 | +5 | +1.0 | +4 | -2 | +2 | +2.1 |
| 1983 | 1 | +2.5 | -3 | +3.4 | +3 | +2 | +2 | +2.1 |
| | 2 | +2.0 | -8 | +1.8 | +3 | +2 | +3 | +2.7 |
| | 3 | +3.4 | -7 | +3.9 | +4 | +5 | +3 | +3.6 |
| | 4 | +4.3 | -1 | +5.8 | +4 | +4 | +3 | +3.6 |
| 1984 | 1 | +3.9 | +11 | +3.7 | +4 | +3 | +4 | +3.7 |
| | 2 | +3.8 | +18 | +2.6 | +5 | +3 | +4 | +4.0 |
| | 3 | +2.7 | +18 | +0.1 | +4 | +4 | +4 | +4.0 |
| | 4 | +2.5 | +10 | -0.1 | +5 | +5 | +4 | +4.1 |
| 1985 | 1 | +3.4 | +1 | +2.3 | +5 | +7 | +4 | +4.3 |
| | 2 | +4.5 | -6 | +5.9 | +3 | +7 | +3 | +3.9 |
| | 3 | +3.6 | -6 | +4.7 | +3 | +5 | +3 | +3.3 |
| | 4 | +3.4 | -2 | +4.2 | +2 | +4 | +3 | +3.1 |
| 1986 | 1 | +2.3 | +1 | +1.9 | +2 | +3 | +3 | +2.7 |
| | 2 | +2.2 | +4 | +0.2 | +4 | +4 | +3 | +3.6 |
| | 3 | +3.6 | +4 | +2.4 | +5 | +4 | +4 | +4.4 |
| | 4 | +3.2 | +2 | +1.6 | +5 | +4 | +4 | +4.4 |

1 The latest revisions to this column may not yet have been fully taken into account in the calculation of the series shown for overall gross domestic product.


Index numbers of output of constant factor cost
1980=100
seasonally adjusted
Share of output
1980
Production and construction 42·4%
Agriculture, forestry and fishing 2·2%
Transport and communication 7·2%
Distribution, hotels and catering; repairs 12·8%
Other services 35·4%
Gross domestic production (output based)
Total production and construction
114
112
110
108
106
104
102
100
98
96
94
115
1981
1982
1983
1984
1985
1986

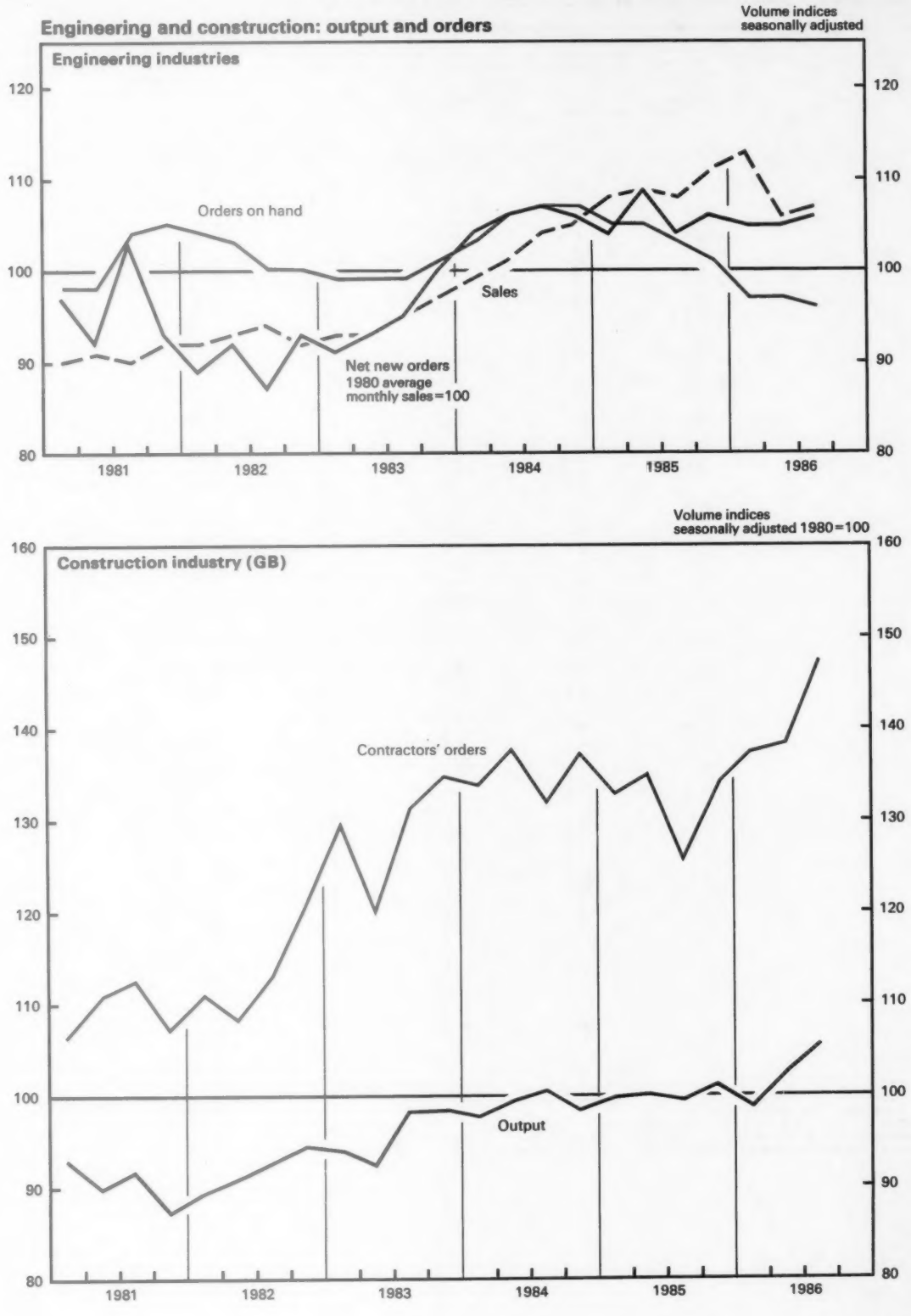
## Engineering and construction: output and orders

Seasonally adjusted volume index numbers

| | | Engineering industries(1) | | | | | | | Construction(GB) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Total | | | Home market | | Export | | | |
| | | Sales | Orders on hand end of period | New orders(2) | Orders on hand end of period | New orders(2) | Orders on hand end of period | New orders(2) | Output(3,4) | Orders received |
| | | 1980 average monthly sales = 100 | Average 1980 = 100 | 1980 average monthly sales = 100 | Average 1980 = 100 | 1980 average monthly sales = 100 | Average 1980 = 100 | 1980 average monthly sales = 100 | 1980 = 100 | 1980 = 100 |
| | | FEAJ | DKCJ | FEAL | FEAV | FEAN | FEAX | FEAP | FEAQ | FEAZ |
| 1982 | | 93 | 100 | 91 | 102 | 93 | 98 | 85 | 91.9 | 113.2 |
| 1983 | | 95 | 101 | 95 | 98 | 95 | 105 | 94† | 95.7 | 128.8 |
| 1984 | | 102 | 107 | 105† | 99 | 103 | 121 | 110 | 98.9 | 135.2 |
| 1985 | | 109 | 100 | 105 | 91 | 104 | 116 | 108 | 100.1 | 131.9 |
| 1986 | | 109† | 98† | 107 | 88† | 110† | 110† | 100 | 102.5† | 141.1† |
| 1982 | 3 | 94 | 100 | 87 | 100 | 93 | 100 | 76 | 92.7 | 112.8 |
| | 4 | 92 | 101 | 93 | 102 | 97 | 98 | 83† | 94.4 | 120.9 |
| 1983 | 1 | 93 | 99 | 91 | 98 | 87 | 103 | 100 | 94.0 | 129.5 |
| | 2 | 93 | 99 | 93 | 97 | 94 | 104 | 92 | 92.3 | 119.8 |
| | 3 | 95 | 99 | 95 | 97 | 100 | 102 | 84 | 98.2 | 131.1 |
| | 4 | 97 | 101 | 100 | 98 | 101 | 105 | 99 | 98.3 | 134.8 |
| 1984 | 1 | 98 | 103 | 104 | 100 | 104 | 109 | 102 | 97.7 | 133.8 |
| | 2 | 101 | 106 | 106 | 100 | 103† | 115† | 113 | 99.3 | 137.6 |
| | 3 | 104 | 107 | 107 | 99 | 102 | 119 | 115 | 100.5 | 131.9 |
| | 4 | 105 | 107 | 105† | 99 | 103 | 121 | 110 | 98.3 | 137.2 |
| 1985 | 1 | 108 | 105 | 104 | 98 | 104 | 118 | 106 | 99.8 | 132.9 |
| | 2 | 109 | 105 | 109 | 96 | 100 | 122 | 126 | 100.0 | 135.0 |
| | 3 | 108 | 103 | 103 | 93 | 102 | 121 | 105 | 99.5 | 125.6 |
| | 4 | 111 | 100 | 105 | 91 | 110 | 116 | 98 | 101.0 | 134.1 |
| 1986 | 1 | 112† | 97 | 105 | 89 | 110 | 111 | 95 | 98.7 | 137.6 |
| | 2 | 106 | 96 | 104 | 90† | 111 | 107 | 90 | 102.7 | 138.4 |
| | 3 | 108 | 95† | 105 | 90 | 110 | 105 | 97 | 104.1† | 148.0 |
| | 4 | 111 | 96 | 112 | 88 | 109 | 109 | 119 | 104.7 | 140.3† |
| 1984 | A | 103 | 105 | 97 | 98 | 90† | 118 | 112† | .. | 136.6 |
| | S | 105† | 107 | 114† | 99 | 112 | 119† | 117 | .. | 129.4 |
| | O | 103 | 108 | 111 | 101† | 108 | 121 | 118 | .. | 143.3 |
| | N | 104 | 108 | 102 | 100 | 100 | 121 | 106 | .. | 136.6 |
| | D | 108 | 107 | 103 | 99 | 102 | 121 | 105 | .. | 131.8 |
| 1985 | J | 105 | 107 | 105 | 99 | 100 | 122 | 116 | .. | 141.5 |
| | F | 108 | 107 | 107 | 99 | 105 | 121 | 111 | .. | 121.7 |
| | M | 111 | 105 | 101 | 98 | 108 | 118 | 92 | .. | 135.6 |
| | A | 106 | 105 | 102 | 97 | 98 | 119 | 114 | .. | 130.9 |
| | M | 107 | 105 | 109 | 97 | 106 | 118 | 114 | .. | 141.8 |
| | J | 113 | 105 | 116 | 96 | 99 | 122 | 149 | .. | 132.3 |
| | J | 106 | 105 | 101 | 94 | 100 | 122 | 102 | .. | 130.2 |
| | A | 109 | 104 | 105 | 94 | 107 | 120 | 101 | .. | 122.0 |
| | S | 108 | 103 | 103 | 93 | 99 | 121 | 112 | .. | 124.6 |
| | O | 110 | 101 | 101 | 91 | 102 | 119 | 98 | .. | 149.8 |
| | N | 111 | 101 | 106 | 91 | 110 | 117 | 97 | .. | 136.4 |
| | D | 112 | 100 | 109 | 91 | 118 | 116 | 92 | .. | 116.0 |
| 1986 | J | 107 | 99 | 98 | 90 | 104 | 113 | 87 | .. | 150.2 |
| | F | 109 | 98† | 104 | 89 | 108 | 113 | 97 | .. | 132.4 |
| | M | 120 | 97 | 112 | 89 | 119 | 111 | 100 | .. | 130.2 |
| | A | 101 | 97 | 99 | 89 | 106 | 109 | 84 | .. | 143.6 |
| | M | 109 | 96 | 107 | 90 | 115 | 108 | 90 | .. | 129.0 |
| | J | 107 | 96 | 107 | 90 | 113 | 107 | 95 | .. | 142.7 |
| | J | 108 | 95 | 102 | 89 | 109 | 105 | 89 | .. | 174.4 |
| | A | 105 | 95 | 105 | 89 | 110 | 108 | 96 | .. | 131.8 |
| | S | 110 | 95 | 109 | 90 | 112 | 105 | 104 | .. | 137.7 |
| | O | 110 | 95 | 107 | 89 | 109 | 105 | 103 | .. | 140.9† |
| | N | 112 | 94 | 108 | 88 | 104 | 106 | 116 | .. | 140.8 |
| | D | 112 | 96 | 121 | 88 | 113 | 109 | 139 | .. | 139.2 |
| 1987 | J | | | | | | 110 | | .. | |

1 Mechanical, instrument and electrical engineering (SIC classes 32, 33, 34 and 37).
2 Net of cancellations.
3 This index is based on an output series which includes repair and maintenance estimates, unrecorded output by small firms and self-employed workers and output by the direct labour departments of the public sector.
4 Details of the method of deflation to constant prices are given in Economic Trends, No.297, July 1978.

## Engineering and construction: output and orders

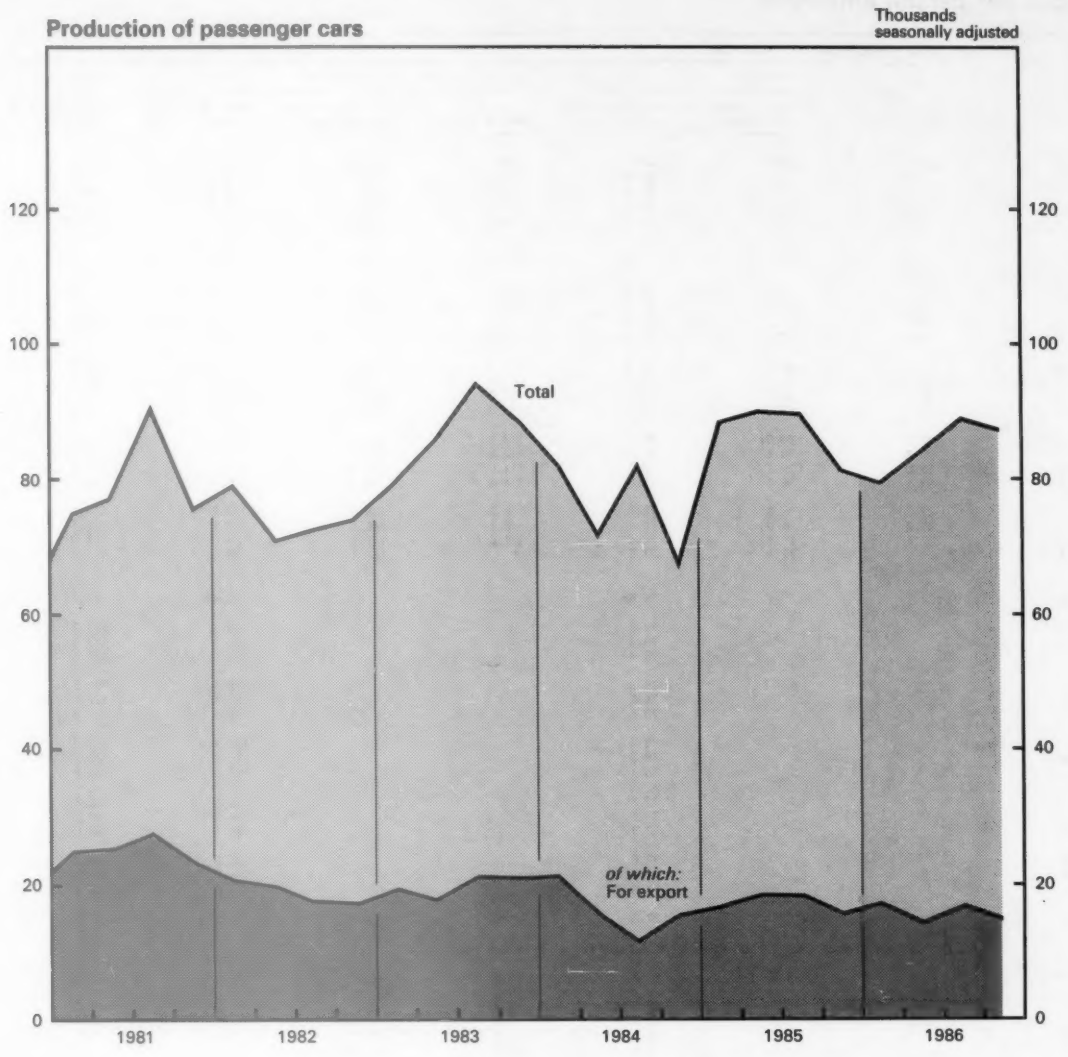


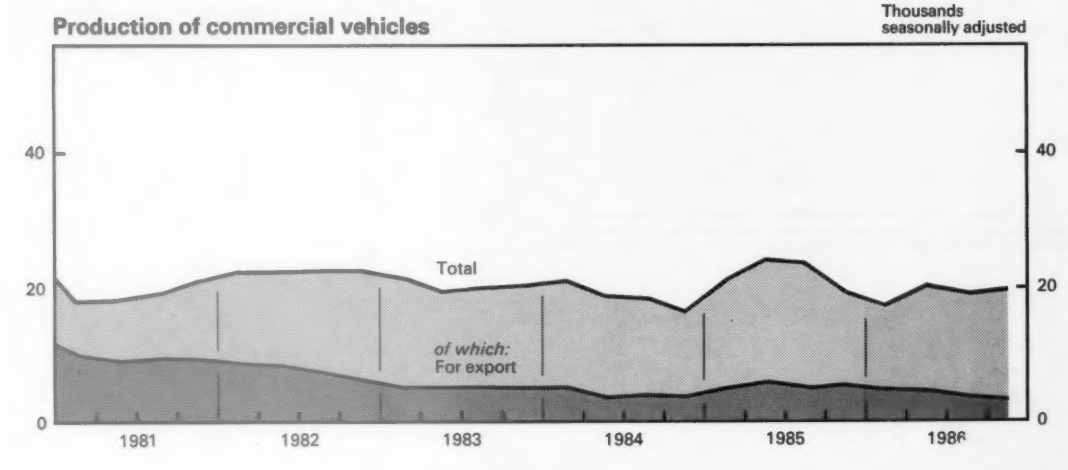
## Motor vehicle production and steel production and consumption

Seasonally adjusted

| | | Thousands(1) | | | | Thousand tonnes | |
|---|---|---|---|---|---|---|---|
| | | Passenger cars* | | Commercial vehicles* | | | |
| | | Total | Production for export | Total | of which: For export | Crude steel production(2,3,4) | Finished steel consumption |
| | | FFAO | FFAP | FFAQ | FFAR | FFAM | FFAN |
| 1976 | | 111.1 | 47.1 | 31.0 | 15.8 | 22 274 | 15 604 |
| 1977 | | 109.7 | 46.9 | 33.2 | 16.4 | 20 411 | 15 300 |
| 1978 | | 101.9 | 41.2 | 32.0 | 14.1 | 20 311 | 15 710 |
| 1979 | | 89.2 | 32.7 | 34.0 | 13.5 | 21 484 | 15 480 |
| 1980 | | 77.0 | 29.1 | 32.4 | 13.0 | 11 277 | 12 770 |
| 1981 | | 79.5 | 25.4 | 19.1 | 9.5 | 15 573 | 12 440 |
| 1982 | | 74.0 | 18.9 | 22.4 | 7.7 | 13 704 | 12 240 |
| 1983 | | 87.0 | 19.8 | 20.4 | 5.2 | 14 986 | 11 510 |
| 1984 | | 75.7 | 16.0 | 18.7 | 4.1 | 15 121 | 11 340 |
| 1985 | | 87.3 | 17.3 | 22.2 | 5.5 | 15 722 | 11 580 |
| 1986 | | 84.9 | 15.8 | 19.1 | 4.2 | 14 725† | |
| 1982 | 3 | 72.1 | 17.7 | 22.5 | 7.5 | 3 054 | 2 950 |
| | 4 | 73.9 | 17.2 | 22.5 | 6.1 | 2 720 | 2 870 |
| 1983 | 1 | 79.3 | 19.4 | 21.7 | 5.2 | 3 768 | 2 810 |
| | 2 | 85.7 | 17.8 | 19.8 | 5.3 | 3 813 | 2 900 |
| | 3 | 94.1 | 21.2 | 20.0 | 5.3 | 3 690 | 2 820 |
| | 4 | 88.1 | 21.0 | 20.2 | 5.1 | 3 662 | 2 980 |
| 1984 | 1 | 82.4 | 21.4 | 21.2 | 5.3 | 3 963 | 2 850 |
| | 2 | 71.3 | 15.5 | 19.0 | 3.7 | 3 604 | 2 720 |
| | 3 | 82.1 | 11.8 | 18.6 | 3.9 | 3 743 | 2 810 |
| | 4 | 67.2 | 15.4 | 16.1 | 3.7 | 3 766 | 2 860 |
| 1985 | 1 | 88.2 | 16.8 | 21.2 | 5.1 | 3 714 | 2 840 |
| | 2 | 90.0 | 18.4 | 24.1 | 5.9 | 4 117 | 2 760 |
| | 3 | 89.9 | 18.2 | 23.9 | 5.3 | 3 920 | 2 890 |
| | 4 | 81.3 | 15.8 | 19.4 | 5.6 | 3 965 | 3 070 |
| 1986 | 1 | 79.2 | 17.0 | 17.3 | 4.8 | 3 787 | 2 980† |
| | 2 | 83.7 | 14.1 | 20.0 | 4.5 | 3 256 | 2 930 |
| | 3 | 89.1 | 16.5 | 19.1 | 3.8 | 3 436 | 2 980 |
| | 4 | 87.6 | 14.8 | 19.8 | 3.5 | 4 244† | |
| 1984 | D | 68.0 | 17.4 | 15.8 | 3.6 | 1 069.0 | .. |
| 1985 | J | 90.2 | 20.4 | 19.4 | 4.4 | 1 290.0 | .. |
| | F | 86.4 | 15.1 | 21.9 | 5.1 | 1 153.0 | .. |
| | M | 88.0 | 14.8 | 22.2 | 5.9 | 1 323.0 | .. |
| | A | 90.2 | 19.9 | 23.5 | 5.4 | 1 327.0 | .. |
| | M | 87.9 | 19.5 | 22.3 | 6.4 | 1 605.0 | .. |
| | J | 91.8 | 15.8 | 26.6 | 6.0 | 1 340.0 | .. |
| | J | 84.5 | 13.7 | 22.2 | 5.0 | 1 505.0 | .. |
| | A | 88.7 | 20.6 | 25.1 | 5.6 | 1 173.0 | .. |
| | S | 96.4 | 20.4 | 24.5 | 5.2 | 1 221.0 | .. |
| | O | 70.0 | 13.4 | 21.0 | 4.8 | 1 453.0 | .. |
| | N | 78.7 | 14.9 | 16.1 | 5.4 | 1 183.0 | .. |
| | D | 97.2 | 19.2 | 21.2 | 6.6 | 1 153.0 | .. |
| 1986 | J | 77.2 | 15.5 | 17.0 | 5.3 | 1 493.0 | .. |
| | F | 73.9 | 16.9 | 16.0 | 4.7 | 1 119.0 | .. |
| | M | 86.5 | 18.5 | 18.8 | 4.4 | 1 176.0 | .. |
| | A | 78.3 | 13.2 | 17.9 | 4.3 | 1 323.0 | .. |
| | M | 86.6 | 13.8 | 20.7 | 5.3 | 980.0 | .. |
| | J | 86.2 | 15.2 | 21.4 | 4.0 | 973.0 | .. |
| | J | 83.2 | 12.8 | 18.7 | 3.9 | 1 220.0 | .. |
| | A | 83.7 | 19.3 | 18.8 | 3.2 | 955.0 | .. |
| | S | 100.4 | 17.5 | 19.9 | 4.2 | 1 261.0 | .. |
| | O | 79.9 | 11.7 | 18.7 | 3.5 | 1 593.0 | .. |
| | N | 83.6 | 15.8 | 18.1 | 3.4 | 1 285.0 | .. |
| | D | 99.4 | 16.8 | 22.7 | 3.6 | 1 387.0 | .. |
| 1987 | J | | | | | 1 493.0† | .. |
| | F | | | | | 1 267.0 | .. |

1 Monthly averages or standardised calendar months.
2 The totals are for 'usable steel' in accordance with the system used by the EC and the International Iron and Steel Institute.
3 The seasonally adjusted quarterly figures are not constrained to sum to the annual totals.
4 June,August and November 1983 are 5-week periods, as are February, May,August and October 1984.


Production of passenger cars
Thousands
seasonally adjusted
120
100
80
60
40
20
0
Total
of which:
For export
1981
1982
1983
1984
1985
1986

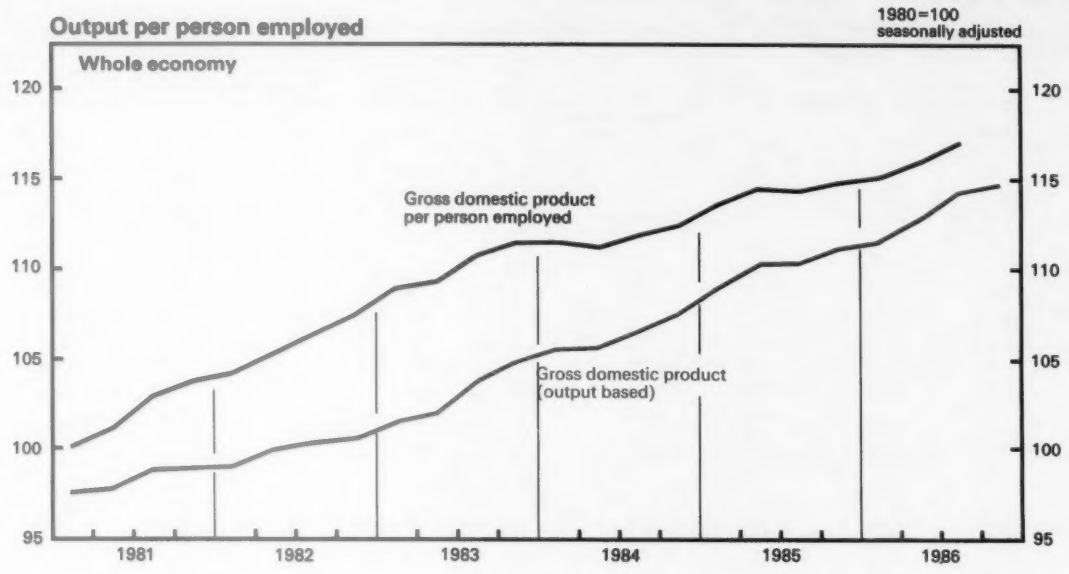

Production of commercial vehicles
Thousands
seasonally adjusted
40
20
0
Total
of which:
For export
1981
1982
1983
1984
1985
1986

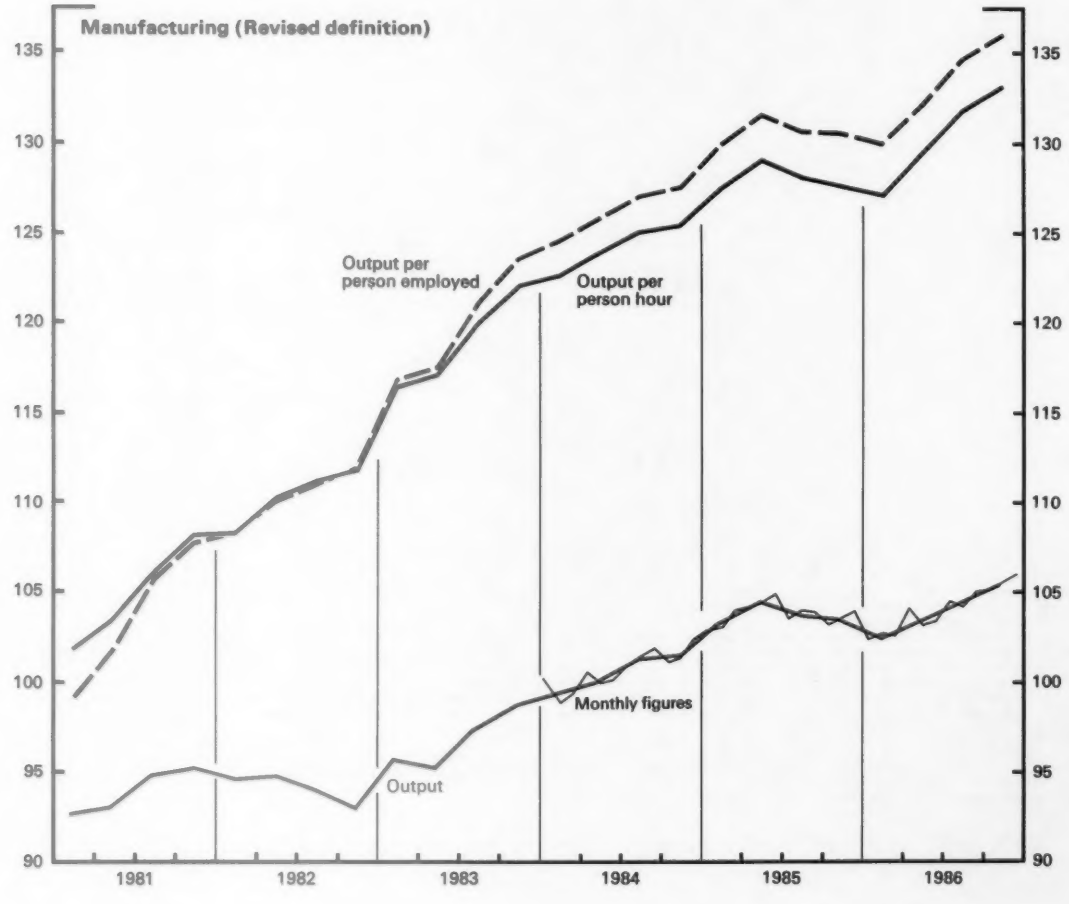
## Output per person employed

1980 = 100, seasonally adjusted

| | | Employment | | | Output per person employed(1) | | | Output per hour in manufacturing industries(2) |
|---|---|---|---|---|---|---|---|---|
| | | Total employed labour force | Total production industries(2) | Manufacturing industries(2) | Whole economy | Total production industries(2) | Manufacturing industries(2) | |
| | | DMBC | DMBK | DMBD | DMBE | CAIW | DMBF | DMBH |
| 1982 | | 94.6 | 86.2 | 85.5 | 105.8† | 114.1 | 110.3 | 110.3 |
| 1983 | | 93.6 | 81.7 | 81.0 | 109.9 | 124.7 | 119.7 | 118.9 |
| 1984 | | 95.5† | 80.1 | 79.8 | 111.5 | 126.7 | 126.3† | 124.3 |
| 1985 | | 96.8 | 79.7† | 79.6† | 114.0 | 135.6† | 130.5 | 127.9† |
| 1986 | | | 77.8 | 78.2 | | 140.9 | 133.3 | 131.1 |
| 1982 | 4 | 93.9 | 84.1 | 83.3 | 107.2† | 116.8 | 111.8† | 111.8 |
| 1983 | 1 | 93.5 | 82.9 | 82.1 | 108.7 | 121.0 | 116.8 | 116.5 |
| | 2 | 93.6 | 82.0 | 81.2 | 109.1 | 122.7 | 117.5 | 117.1 |
| | 3 | 93.9 | 81.3 | 80.6 | 110.7 | 126.4 | 121.0 | 120.0 |
| | 4 | 94.4 | 80.8 | 80.1 | 111.3 | 128.7 | 123.5 | 122.0 |
| 1984 | 1 | 94.9 | 80.4 | 79.6 | 111.3 | 129.4 | 124.6 | 122.8† |
| | 2 | 95.3† | 80.2 | 79.8† | 111.1 | 127.9 | 125.8 | 123.9 |
| | 3 | 95.6 | 80.0 | 79.9 | 111.6 | 128.0 | 127.0 | 125.1 |
| | 4 | 96.1 | 80.0 | 79.7 | 112.0 | 129.6 | 127.6 | 125.3 |
| 1985 | 1 | 96.5 | 80.0† | 79.6 | 113.2 | 133.0† | 129.8 | 127.3 |
| | 2 | 96.8 | 79.8 | 79.6 | 114.2 | 137.0 | 131.3 | 128.9 |
| | 3 | 97.0 | 79.7 | 79.5 | 114.0 | 135.9 | 130.5 | 127.9 |
| | 4 | 97.1 | 79.3 | 79.5 | 114.6 | 136.7 | 130.4 | 127.6 |
| 1986 | 1 | 97.2 | 78.8 | 79.0 | 115.0 | 138.3 | 129.8 | 127.4 |
| | 2 | 97.2 | 78.0 | 78.4 | 116.3 | 140.0 | 132.2 | 130.1 |
| | 3 | 97.4 | 77.4 | 77.8 | 117.6 | 142.9 | 134.6 | 132.6 |
| | 4 | | 77.1 | 77.6 | | 142.4 | 136.6 | 134.4 |
| 1985 | S | .. | .. | 79.6† | .. | .. | 130.4† | 127.7† |
| | O | .. | .. | 79.6 | .. | .. | 129.9 | 127.3 |
| | N | .. | .. | 79.4 | .. | .. | 130.3 | 127.6 |
| | D | .. | .. | 79.4 | .. | .. | 131.0 | 128.0 |
| 1986 | J | .. | .. | 79.3 | .. | .. | 129.1 | 126.6 |
| | F | .. | .. | 78.9 | .. | .. | 130.1 | 127.7 |
| | M | .. | .. | 78.8 | .. | .. | 130.1 | 127.8 |
| | A | .. | .. | 78.7 | .. | .. | 132.1 | 129.9 |
| | M | .. | .. | 78.3 | .. | .. | 131.9 | 129.8 |
| | J | .. | .. | 78.1 | .. | .. | 132.5 | 130.5 |
| | J | .. | .. | 77.9 | .. | .. | 134.3 | 132.2 |
| | A | .. | .. | 77.7 | .. | .. | 134.2 | 132.1 |
| | S | .. | .. | 77.7 | .. | .. | 135.4 | 133.5 |
| | O | .. | .. | 77.6 | .. | .. | 136.0 | 134.0 |
| | N | .. | .. | 77.7 | .. | .. | 136.7 | 134.4 |
| | D | .. | .. | 77.6 | .. | .. | 137.0 | 134.8 |
| 1987 | J | .. | .. | 77.3 | .. | .. | 134.4 | 132.8 |
| | | Percentage change, quarter on corresponding quarter of previous year | | | | | | |
| 1982 | 4 | -1.8 | -5.9 | -6.2 | +3.5 | +6.2 | +4.1 | +3.8 |
| 1983 | 1 | -1.9 | -6.1 | -6.3 | +4.4 | +9.9 | +7.8 | +7.6 |
| | 2 | -1.5 | -5.7 | -5.9 | +3.5 | +7.9 | +6.7 | +6.3 |
| | 3 | -0.5 | -4.9 | -4.8 | +4.0 | +9.0 | +8.9 | +8.0 |
| | 4 | +0.5 | -3.9 | -3.8 | +3.8 | +10.2 | +10.5 | +9.1 |
| 1984 | 1 | +1.5 | -3.0 | -3.0 | +2.4 | +6.9 | +6.7 | +5.4 |
| | 2 | +1.9 | -2.2 | -1.7 | +1.8 | +4.2 | +7.1 | +5.8 |
| | 3 | +1.8 | -1.6 | -0.9 | +0.8 | +1.3 | +5.0 | +4.2 |
| | 4 | +1.8 | -1.0 | -0.5 | +0.6 | +0.7 | +3.3 | +2.7 |
| 1985 | 1 | +1.7 | -0.5 | -0.3 | +1.7 | +2.8 | +4.2 | +3.7 |
| | 2 | +1.8 | -0.5 | -0.3 | +2.8 | +7.1 | +4.4 | +4.1 |
| | 3 | +1.5 | -0.4 | -0.5 | +2.2 | +6.2 | +2.8 | +2.3 |
| | 4 | +1.0 | -0.9 | -0.3 | +2.3 | +5.5 | +2.2 | +1.8 |
| 1986 | 1 | +0.7 | -1.5 | -0.8 | +1.6 | +4.0 | - | +0.1 |
| | 2 | +0.4 | -2.3 | -1.5 | +1.8 | +2.2 | +0.7 | +0.8 |
| | 3 | +0.4 | -2.9 | -2.1 | +3.2 | +5.2 | +3.1 | +3.7 |
| | 4 | | -2.8 | -2.4 | | +4.2 | +4.8 | +5.3 |

1 The ratios do not take into account part-time working or hours of work.
2 Industries are grouped according to the Standard Industrial Classification 1980.

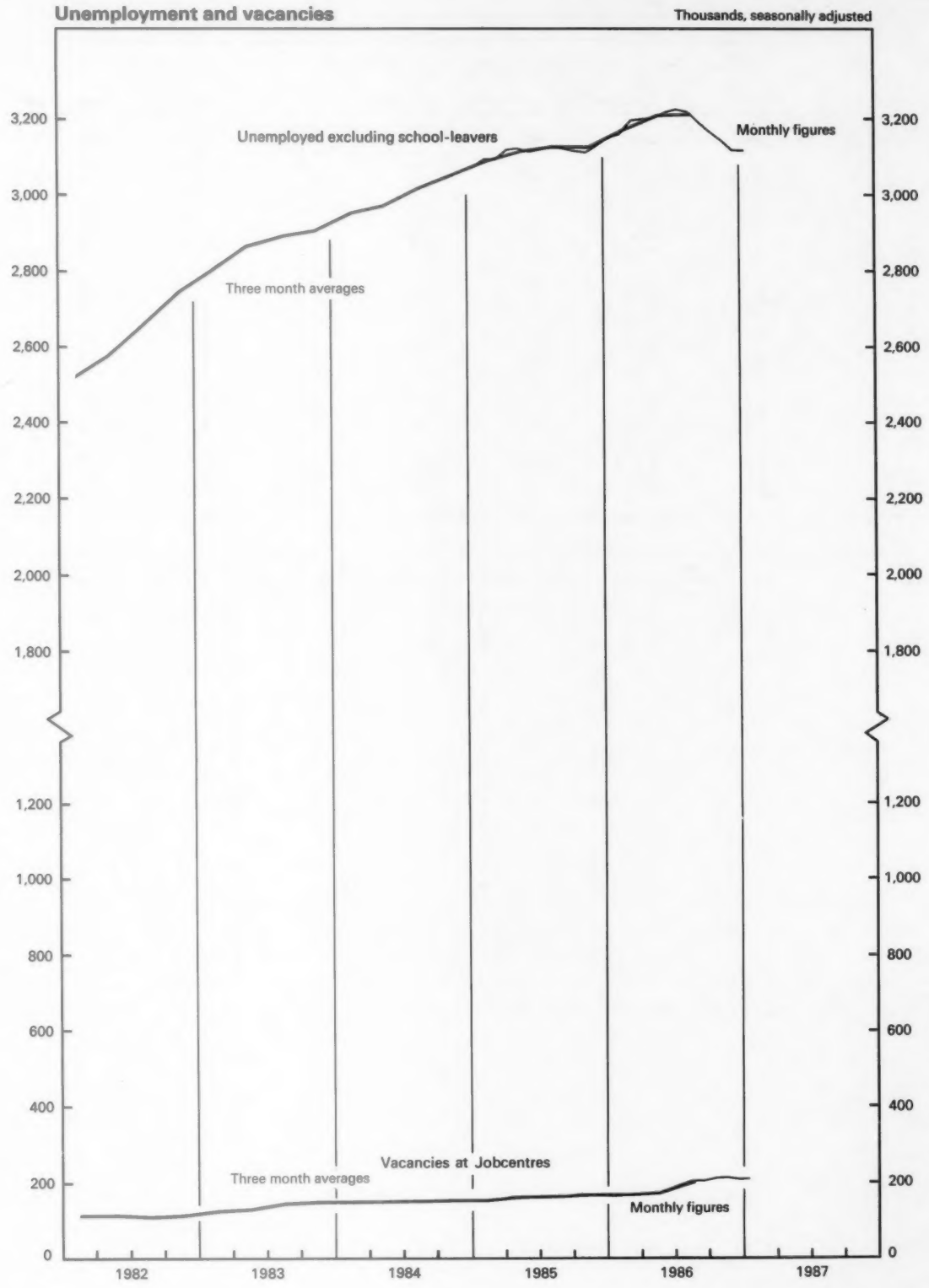

Output per person employed
1980=100
seasonally adjusted
Whole economy
120
115
110
105
100
95
Gross domestic product
per person employed
Gross domestic product
(output based)
1981
1982
1983
1984
1985
1986


Manufacturing (Revised definition)
135
130
125
120
115
110
105
100
95
90
Output per
person employed
Output per
person hour
Monthly figures
Output
1981
1982
1983
1984
1985
1986

## National employment and unemployment (1)

| | | Seasonally adjusted | | | | | | | | Unadjusted |
|---|---|---|---|---|---|---|---|---|---|---|
| | | United Kingdom | | | | | | Great Britain Manufacturing industry | | United Kingdom |
| | | Thousands | | | Unemployed excluding school leavers | | Thousands | 1984=100 | | Thousands |
| | | Working population(2,3,4) | Employed labour force(2,3) | Employees in employment(2,3) | Thousands(4) | Percentage of working population(4,5) | Vacancies at job centres*(6,7,8) | Employees in employment | Average hours worked per operative(9) | Total unemployed including school-leavers(4) |
| | | BCAI | FBAB | BCAJ | BCJD | BCJE | DPCB | FBAJ | FBAH | BCJA |
| 1981 | | 26 692 | 24 318 | 21 547 | 2 270 | 9.4† | 91.1 | 90.5 | 98.7† | 2 520.3 |
| 1982 | | 26 603 | 23 852 | 21 369 | 2 626 | 11.0 | 113.9 | 85.4 | 100.5 | 2 916.9 |
| 1983 | | 26 609 | 23 584 | 21 021 | 2 866 | 10.8 | 137.3 | 80.5 | 101.5 | 3 104.7 |
| 1984 | | 27 124 | 24 031 | 21 190 | 2 998 | 11.4 | 150.1 | 78.8 | 102.7 | 3 159.8 |
| 1985 | | 27 624 | 24 388 | 21 440 | 3 113 | 11.3 | 162.1 | 78.2 | 103.3 | 3 271.2 |
| 1986 | | 27 925 | 24 581 | 21 515 | 3 184 | 11.5 | 188.7 | | 102.6 | 3 289.1 |
| 1983 | 4 | 26 877 | 23 842 | 21 139 | 2 905.9 | 10.9 | 148.0 | 81.0† | 102.4† | 3 085.9 |
| 1984 | 1 | 27 025 | 23 943 | 21 170 | 2 948.8 | 11.7 | 147.2 | 80.8 | 102.5 | 3 176.3 |
| | 2 | 27 124 | 24 031 | 21 190 | 2 972.5 | 11.4 | 149.1 | 80.6 | 102.8 | 3 074.0 |
| | 3 | 27 265 | 24 113 | 21 243 | 3 017.1 | 11.2 | 151.3 | 79.1 | 102.5 | 3 166.7 |
| | 4 | 27 425 | 24 249 | 21 353 | 3 054.9 | 11.3 | 153.1 | 79.2 | 103.2 | 3 222.4 |
| 1985 | 1 | 27 533 | 24 330 | 21 408 | 3 087.6 | 11.2 | 155.5 | 79.0 | 103.2 | 3 310.8 |
| | 2 | 27 624 | 24 388 | 21 440 | 3 118.8 | 11.3 | 162.3 | 78.9 | 103.5 | 3 230.7 |
| | 3 | 27 671 | 24 452 | 21 473 | 3 124.0 | 11.3 | 163.3 | 78.8 | 103.4 | 3 273.9 |
| | 4 | 27 748 | 24 515 | 21 508 | 3 122.1 | 11.3 | 167.3 | 78.6 | 103.8 | 3 269.6 |
| 1986 | 1 | 27 848 | 24 543 | 21 506 | 3 170.9 | 11.5 | 166.5 | 78.0 | 103.5 | 3 356.1 |
| | 2 | 27 925 | 24 581 | 21 515 | 3 208.4 | 11.6 | 175.6 | 77.2 | 103.3 | 3 275.1 |
| | 3 | 27 938 | 24 660 | 21 562 | 3 211.9 | 11.7 | 200.2 | 76.7 | 103.6 | 3 297.5 |
| | 4 | | | | 3 143.4 | 11.4 | 212.7 | 76.6 | 103.6 | 3 227.7 |
| 1984 | D | .. | .. | .. | 3 062.6 | 11.3 | 154.8 | 79.2† | 103.2 | 3 219.4 |
| 1985 | J | .. | .. | .. | 3 074.6 | 11.1 | 154.5 | 79.1 | 103.1 | 3 341.0 |
| | F | .. | .. | .. | 3 093.5 | 11.2 | 155.0 | 79.1 | 103.2 | 3 323.7 |
| | M | .. | .. | .. | 3 094.8 | 11.2 | 156.9 | 79.0 | 103.2 | 3 267.6 |
| | A | .. | .. | .. | 3 120.8 | 11.3 | 162.1 | 78.9 | 102.3 | 3 272.6 |
| | M | .. | .. | .. | 3 121.4 | 11.3 | 161.9 | 78.9 | 103.4 | 3 240.9 |
| | J | .. | .. | .. | 3 114.2 | 11.3 | 162.8 | 78.9 | 103.5 | 3 178.6 |
| | J | .. | .. | .. | 3 121.1 | 11.3 | 161.6 | 78.7 | 103.3 | 3 235.0 |
| | A | .. | .. | .. | 3 127.4 | 11.3 | 162.7 | 78.6 | 103.1 | 3 240.4 |
| | S | .. | .. | .. | 3 123.5 | 11.3 | 165.7 | 78.8 | 103.4 | 3 346.2 |
| | O | .. | .. | .. | 3 119.9 | 11.3 | 169.9 | 78.8 | 103.4 | 3 278.9 |
| | N | .. | .. | .. | 3 113.8 | 11.3 | 168.8 | 78.6 | 103.5 | 3 258.9 |
| | D | .. | .. | .. | 3 132.5 | 11.4 | 163.5 | 78.6 | 103.8 | 3 273.1 |
| 1986 | J | .. | .. | .. | 3 153.2 | 11.4 | 162.8 | 78.4 | 103.6 | 3 407.7 |
| | F | .. | .. | .. | 3 160.9 | 11.5 | 167.2 | 78.1 | 103.5 | 3 336.7 |
| | M | .. | .. | .. | 3 198.6 | 11.6 | 169.5 | 78.0 | 103.5 | 3 323.8 |
| | A | .. | .. | .. | 3 200.2 | 11.6 | 170.2 | 77.8 | 103.4 | 3 325.1 |
| | M | .. | .. | .. | 3 205.4 | 11.6 | 172.1 | 77.4 | 103.3 | 3 270.9 |
| | J | .. | .. | .. | 3 219.6 | 11.7 | 184.4 | 77.2 | 103.3 | 3 229.4 |
| | J | .. | .. | .. | 3 224.0 | 11.7 | 193.2 | 76.9 | 103.5 | 3 279.6 |
| | A | .. | .. | .. | 3 219.0 | 11.7 | 201.1 | 76.7 | 103.6 | 3 280.1 |
| | S | .. | .. | .. | 3 192.6 | 11.6 | 206.4 | 76.7 | 103.6 | 3 332.9 |
| | O | .. | .. | .. | 3 166.2 | 11.5 | 212.8 | 76.6 | 103.4 | 3 237.2 |
| | N | .. | .. | .. | 3 144.8 | 11.4 | 215.2 | 76.6 | 103.6† | 3 216.8 |
| | D | .. | .. | .. | 3 119.1 | 11.3 | 210.0 | 76.6 | 103.6 | 3 229.2 |
| 1987 | J | .. | .. | .. | 3 118.0† | 11.3 | 210.3 | | | 3 297.2† |
| | F | .. | .. | .. | 3 073.9 | 11.1† | 207.1† | | | 3 225.8 |

1 Unemployment figures do not include students registered for temporary employment during a current vacation.
2 The working population consists of the employed labour force and the unemployed (claimants); the employed labour force includes employers, self-employed and HM Forces as well as employees in employment. Estimates of employees in employment up to June 1985 take account of the results of the 1983, 1984 and 1985 Labour Force Surveys. Estimates for later periods include an allowance for continued undercounting (see article on page 181 of May 1985 Employment Gazette for a detailed description of their derivation).
3 Annual estimates relate to mid-year. Figures for the four quarters relate to March, June, September and December.
4 There has been a change in the compilation of the unemployment statistics (see Employment Gazette, March/April 1986, pages 107-108). Unadjusted figures for February and March 1986 are on the new basis (estimated for February) and not directly comparable with earlier figures. It is estimated that the change reduces the total UK count by 50,000 on average. Seasonally adjusted figures have been revised to allow for this and previous discontinuities, to be consistent with the new coverage. The latest seasonally adjusted figures are provisional and subject to revision, mainly in the following month. The unadjusted figures also reflect a small discontinuity in the Northern Ireland count between June and August 1985.
5 The denominators used to calculate unemployment rates are the sum of the appropriate mid-year estimates of employees in employment and the unemployed, self-employed and H. forces. Recent figures are based on mid-1985 estimates.
6 The statistics of vacancy stocks were distorted in April and May 1985 because of a change in the Manpower Services Commission's Employment Division's arrangements. This led to an artificial increase in the April level, but the recorded stocks for May should be minimally affected.
7 There has been a change in the method of compiling vacancy statistics. See October issue of Employment Gazette for details.
8 This series excludes community programme vacancies.
9 The indices are based on SIC 1980 definition of manufacturing industry.


Unemployment and vacancies
Thousands, seasonally adjusted
Unemployed excluding school-leavers
Monthly figures
Three month averages
Vacancies at Jobcentres
Three month averages
Monthly figures
3,200
3,000
2,800
2,600
2,400
2,200
2,000
1,800
1,200
1,000
800
600
400
200
0
1982
1983
1984
1985
1986
1987

## Regional unemployment rates (1)

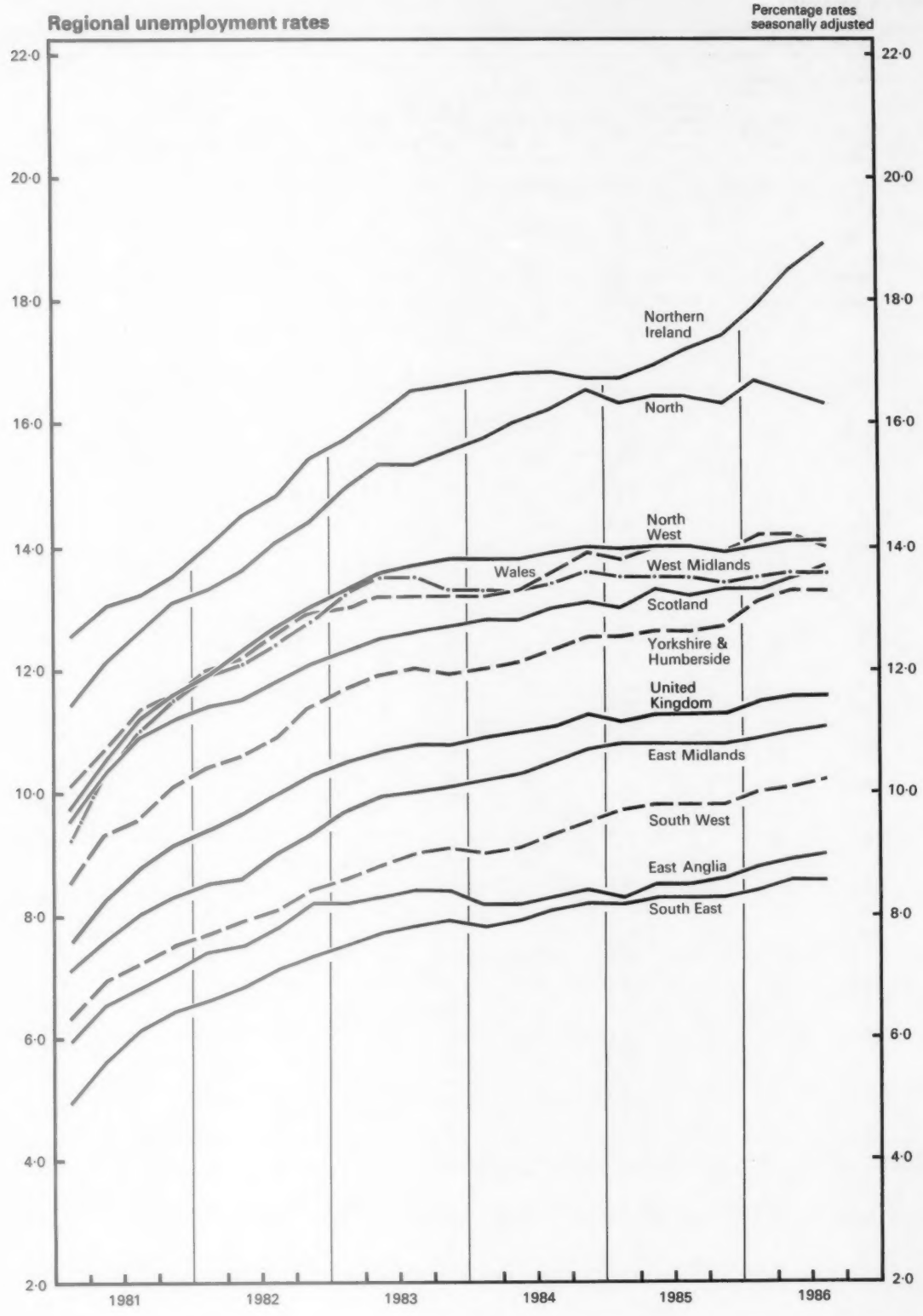
Seasonally adjusted(2,3)

Per cent

| | | North | Yorkshire and Humberside | East Midlands | East Anglia | South East | South West | West Midlands |
|---|---|---|---|---|---|---|---|---|
| | | DPBH | DPBI | DPBJ | DPBK | DPBL | DPBM | DPBN |
| 1981 | 1 | 11.4 | 8.5 | 7.1 | 5.9 | 4.9 | 6.3 | 9.2 |
| | 2 | 12.1 | 9.3 | 7.7 | 6.5 | 5.6 | 6.9 | 10.3 |
| | 3 | 12.6 | 9.7 | 8.0 | 6.6 | 6.1 | 7.2 | 11.0 |
| | 4 | 13.1 | 10.1 | 8.3 | 7.1 | 6.4 | 7.5 | 11.5 |
| 1982 | 1 | 13.3 | 10.4 | 8.5 | 7.4 | 6.6 | 7.7 | 11.9 |
| | 2 | 13.6 | 10.6 | 8.6 | 7.5 | 6.8 | 7.9 | 12.1 |
| | 3 | 14.1 | 10.9 | 9.0 | 7.8 | 7.1 | 8.1 | 12.5 |
| | 4 | 14.4 | 11.4 | 9.3 | 8.2 | 7.3 | 8.4 | 12.8 |
| 1983 | 1 | 14.9 | 11.7 | 9.7 | 8.2 | 7.5 | 8.6 | 13.2 |
| | 2 | 15.3 | 11.9 | 9.9 | 8.3 | 7.7 | 8.8 | 13.5 |
| | 3 | 15.3 | 12.0 | 10.0 | 8.4 | 7.8 | 9.0 | 13.5 |
| | 4 | 15.5 | 11.9 | 10.1 | 8.4 | 7.9 | 9.1 | 13.3 |
| 1984 | 1 | 15.7 | 12.0 | 10.2 | 8.2 | 7.8 | 9.0 | 13.3 |
| | 2 | 16.0 | 12.1 | 10.3 | 8.2 | 7.9 | 9.1 | 13.3 |
| | 3 | 16.2 | 12.3 | 10.5 | 8.3 | 8.1 | 9.3 | 13.4 |
| | 4 | 16.5 | 12.5 | 10.7 | 8.4 | 8.2 | 9.5 | 13.6 |
| 1985 | 1 | 16.3 | 12.5 | 10.8 | 8.3 | 8.2 | 9.7 | 13.5 |
| | 2 | 16.4 | 12.6 | 10.8 | 8.5 | 8.3 | 9.8 | 13.5 |
| | 3 | 16.4 | 12.6 | 10.8 | 8.5 | 8.3 | 9.8 | 13.5 |
| | 4 | 16.3 | 12.7 | 10.8 | 8.6 | 8.3 | 9.8 | 13.4 |
| 1986 | 1 | 16.7 | 13.1 | 10.9 | 8.8 | 8.4 | 10.0 | 13.5 |
| | 2 | 16.5 | 13.3 | 11.0 | 8.9 | 8.6 | 10.1 | 13.6 |
| | 3 | 16.3 | 13.3 | 11.1 | 9.0 | 8.6 | 10.2 | 13.6 |
| | 4 | 16.3† | 13.3† | 11.1† | 8.9† | 8.4† | 10.1† | 13.5† |

| | | North West | Wales | Scotland | Great Britain | Northern Ireland | United Kingdom |
|---|---|---|---|---|---|---|---|
| | | DPBO | DPBP | DPBQ | DPAJ | DPBR | BCJE |
| 1981 | 1 | 9.7 | 10.1 | 9.5 | 7.5 | 12.5 | 8.6 |
| | 2 | 10.5 | 10.7 | 10.3 | 8.2 | 13.0 | 9.0 |
| | 3 | 11.2 | 11.3 | 10.9 | 8.7 | 13.2 | 9.8 |
| | 4 | 11.6 | 11.6 | 11.2 | 9.1 | 13.5 | 10.4 |
| 1982 | 1 | 11.9 | 12.0 | 11.4 | 9.3 | 14.0 | 10.8 |
| | 2 | 12.3 | 12.2 | 11.5 | 9.5 | 14.5 | 10.5 |
| | 3 | 12.7 | 12.6 | 11.8 | 9.8 | 14.8 | 11.0 |
| | 4 | 13.0 | 12.9 | 12.1 | 10.1 | 15.4 | 11.5 |
| 1983 | 1 | 13.3 | 13.0 | 12.3 | 10.4 | 15.7 | 10.5 |
| | 2 | 13.6 | 13.2 | 12.5 | 10.6 | 16.1 | 10.8 |
| | 3 | 13.7 | 13.2 | 12.6 | 10.7 | 16.5 | 10.9 |
| | 4 | 13.8 | 13.2 | 12.7 | 10.8 | 16.6 | 10.9 |
| 1984 | 1 | 13.8 | 13.2 | 12.8 | 10.7 | 16.7 | 11.7 |
| | 2 | 13.8 | 13.3 | 12.8 | 10.8 | 16.8 | 11.4 |
| | 3 | 13.9 | 13.6 | 13.0 | 11.0 | 16.8 | 11.2 |
| | 4 | 14.0 | 13.9 | 13.1 | 11.1 | 16.7 | 11.3 |
| 1985 | 1 | 13.9 | 13.8 | 13.0 | 11.1 | 16.7 | 11.2 |
| | 2 | 14.0 | 14.0 | 13.3 | 11.2 | 16.9 | 11.3 |
| | 3 | 14.0 | 14.0 | 13.2 | 11.2 | 17.2 | 11.3 |
| | 4 | 13.9 | 13.9 | 13.3 | 11.2 | 17.4 | 11.3 |
| 1986 | 1 | 14.0 | 14.2 | 13.4 | 11.3 | 17.9 | 11.5 |
| | 2 | 14.1 | 14.2 | 13.5 | 11.4 | 18.5 | 11.6 |
| | 3 | 14.1 | 14.0 | 13.7 | 11.5 | 18.9 | 11.7 |
| | 4 | 14.0† | 13.9† | 14.2† | 11.4† | 19.1† | 11.4 |

1 Excluding school-leavers.
2 The seasonally adjusted series have been revised to allow for all discontinuties, to be consistent with the current coverage.
3 See footnote 5 on page 36.

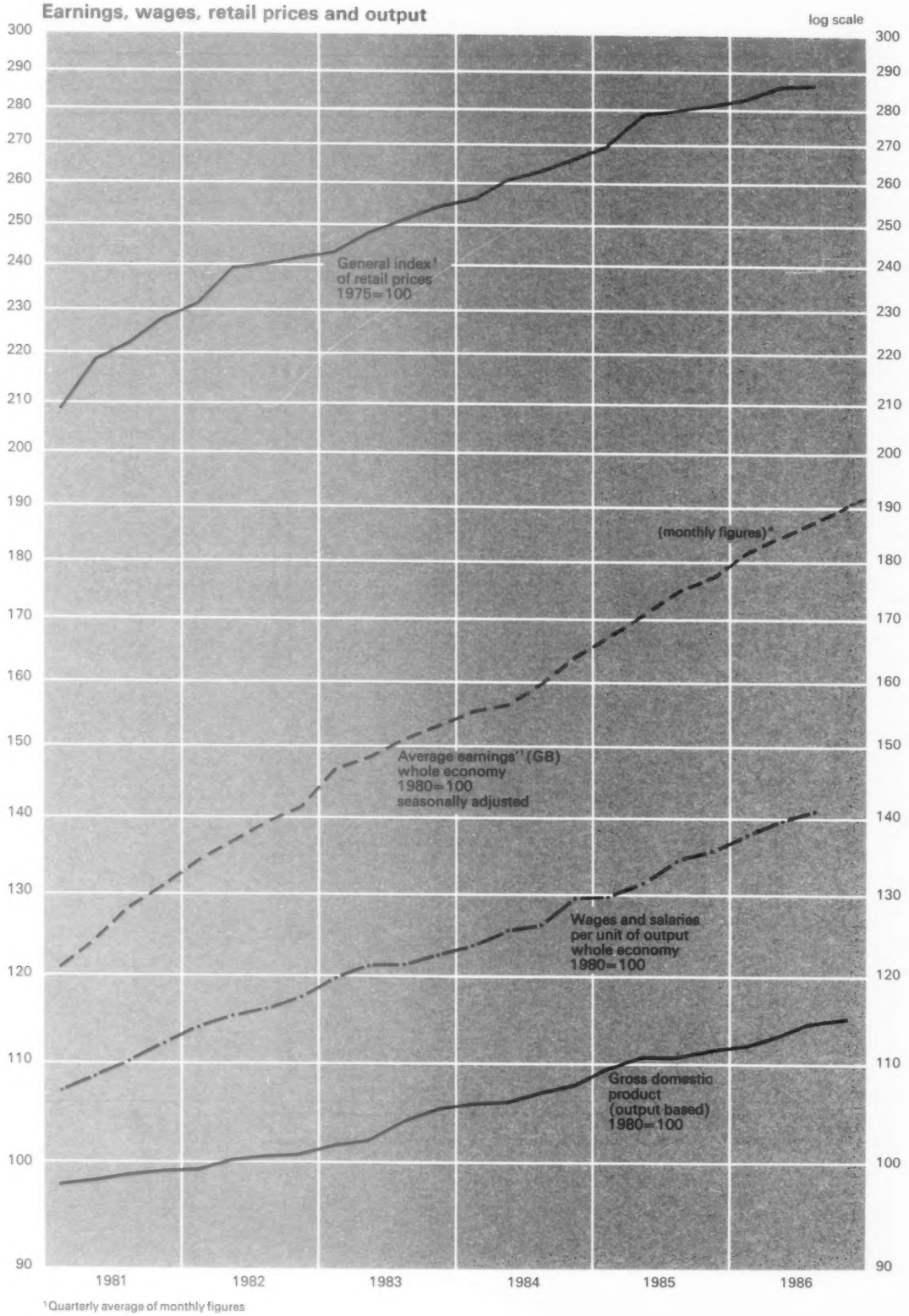

Regional unemployment rates
Percentage rates seasonally adjusted
22·0
20·0
18·0
16·0
14·0
12·0
10·0
8·0
6·0
4·0
2·0
1981
1982
1983
1984
1985
1986
Northern Ireland
North
North West
Wales
West Midlands
Scotland
Yorkshire & Humberside
United Kingdom
East Midlands
South West
East Anglia
South East

## Average earnings

| | | January 1980 = 100 | | | | | | | | 1980 = 100 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Average earnings (GB)(1) | | | | | | | | Wages and salaries per unit of output | |
| | | Whole economy | Percentage increase on year earlier | Underlying % change over previous 12 months(2) | Production industries (3) | Percentage increase on year earlier | Underlying % change over previous 12 months(2) | Manufacturing industry(3) | Percentage increase on year earlier | Underlying % change over previous 12 months(2) | Whole economy(4) | Manufacturing industry |
| | | DNAA | DNDZ | | DNAE | DNED | | DNAC | DNEH | | DJDO | DMBG |
| 1979 | | .. | .. | | .. | .. | | .. | .. | | 81.7† | 81.7 |
| 1980 | | 111.4 | .. | | 109.4 | .. | | 109.1 | .. | | 100.0 | 100.0 |
| 1981 | | 125.8 | 12.9 | | 124.1 | 13.4† | | 123.6 | 13.3 | | 109.7 | 109.3 |
| 1982 | | 137.6 | 9.4 | | 138.2 | 11.4 | | 137.4 | 11.2 | | 116.1 | 114.0 |
| 1983 | | 149.2 | 8.4 | | 150.0 | 8.5 | | 149.7 | 9.0 | | 121.3 | 114.5 |
| 1984 | | 158.3 | 6.1 | | 158.5 | 5.7 | | 162.8 | 8.8† | | 126.3 | 118.0† |
| 1985 | | 171.7 | 8.5 | | 176.2 | 11.2 | | 177.6 | 9.1 | | 132.9 | 124.6 |
| 1986 | | 185.3† | 7.9† | | 190.8† | 8.3 | | 191.2† | 7.7 | | | 131.3 |
| Seasonally adjusted | | | | | | | | | | | | |
| | | DNAB | DNEA | | DNAF | DNEE | | DNAD | DNEI | | | |
| 1983 | 3 | 150.4 | 8.2 | | 151.4 | 8.7 | | 151.0 | 9.0 | | 121.0† | 114.1 |
| | 4 | 152.5 | 8.0 | | 155.3 | 8.9† | | 155.5 | 8.7† | | 122.4 | 115.2 |
| 1984 | 1 | 154.9 | 8.1 | | 155.8 | 7.4 | | 158.3 | 9.5 | | 123.8 | 116.3 |
| | 2 | 155.9 | 5.4 | | 155.1 | 4.5 | | 160.0 | 8.1 | | 125.2 | 116.4 |
| | 3 | 159.1 | 5.8 | | 159.2 | 5.2 | | 164.2 | 8.8 | | 126.2 | 118.3 |
| | 4 | 163.3 | 7.1 | | 163.9 | 5.5 | | 168.6 | 8.4 | | 129.7 | 120.9 |
| 1985 | 1 | 166.8 | 7.7 | | 168.6 | 8.2 | | 172.5 | 9.0 | | 129.9 | 121.6† |
| | 2 | 170.2 | 9.2 | | 174.8 | 12.7 | | 176.1 | 10.1 | | 131.4 | 122.7 |
| | 3 | 173.9 | 9.3 | | 179.1 | 12.5 | | 179.3 | 9.2 | | 134.0 | 125.7 |
| | 4 | 176.1 | 7.8 | | 182.5 | 11.3 | | 182.8 | 8.4 | | 135.8 | 128.3 |
| 1986 | 1 | 180.6 | 8.3 | | 185.8 | 10.2 | | 186.1 | 7.9 | | 137.7 | 131.2 |
| | 2 | 183.9 | 8.0† | | 188.4† | 7.8 | | 189.3† | 7.5 | | 139.4 | 131.1 |
| | 3 | 186.8 | 7.4 | | 192.0 | 7.2 | | 192.1 | 7.2 | | 139.7 | 130.6 |
| | 4 | 190.1 | 8.0 | | 197.1 | 8.0 | | 197.4 | 8.0 | | | 132.3 |
| | | | | DNEN | | | DNEN | | | DNED | | |
| 1984 | J | 158.2 | 5.3 | 7.50 | 157.6 | 5.1 | 8.50 | 162.9 | 8.8 | 9.00 | | 118.4 |
| | A | 159.0 | 5.9 | 7.50 | 158.7 | 4.9 | 8.25 | 163.7 | 8.6 | 8.75 | | 117.9 |
| | S | 160.2 | 6.3 | 7.50 | 161.4 | 5.5 | 8.25 | 166.1 | 9.0 | 8.75 | | 118.6† |
| | O | 164.5 | 8.2 | 7.50 | 163.6 | 5.3 | 8.00 | 168.3 | 9.0 | 8.50 | | 121.3 |
| | N | 162.0 | 6.5 | 7.50 | 163.4 | 5.6 | 8.00 | 168.1 | 8.0 | 8.50 | | 120.9 |
| | D | 163.5 | 6.6 | 7.50 | 164.7 | 5.7 | 8.00 | 169.5 | 8.2 | 8.50 | | 120.6 |
| 1985 | J | 165.5 | 7.0 | 7.50 | 167.1 | 7.1 | 8.25 | 171.7 | 9.4 | 8.50 | | 121.5 |
| | F | 166.5 | 7.0 | 7.50 | 167.6 | 8.2 | 8.25 | 172.0 | 8.4 | 8.50 | | 121.6 |
| | M | 168.3 | 9.0 | 7.50 | 171.0 | 11.3 | 8.25 | 173.8 | 9.2 | 8.75 | | 121.7 |
| | A | 170.6 | 9.5 | 7.50 | 175.5 | 13.6 | 8.25 | 177.6 | 11.3 | 8.75 | | 124.0 |
| | M | 169.7 | 8.8 | 7.50 | 173.2 | 12.0 | 8.50 | 174.4 | 9.3 | 9.00 | | 121.7 |
| | J | 170.2 | 9.1 | 7.50 | 175.6 | 12.5 | 8.50 | 176.2 | 9.4 | 9.00 | | 122.5 |
| | J | 172.2 | 8.8 | 7.50 | 177.8 | 12.8 | 8.75 | 178.3 | 9.5 | 9.00 | | 125.3 |
| | A | 173.1 | 8.9 | 7.50 | 177.8 | 12.0 | 8.75 | 178.1 | 8.8 | 9.00 | | 124.4 |
| | S | 176.4 | 10.1 | 7.75 | 181.7 | 12.8 | 8.75 | 181.5 | 9.3 | 9.00 | | 127.4 |
| | O | 174.3 | 8.0 | 7.50 | 180.8 | 10.5 | 8.75 | 180.9 | 7.5 | 8.75 | | 127.4 |
| | N | 175.9 | 8.6 | 7.50 | 182.4 | 11.6 | 8.75 | 182.9 | 8.8 | 8.75 | | 128.4 |
| | D | 178.1 | 8.9 | 7.50 | 184.2 | 11.8 | 8.75 | 184.7 | 9.0 | 8.75 | | 129.0 |
| 1986 | J | 179.1 | 8.2 | 7.50 | 185.5 | 11.0 | 8.75 | 185.5 | 8.0 | 8.50 | | 131.5 |
| | F | 180.0 | 8.1 | 7.50 | 185.9 | 10.9 | 8.50 | 186.0 | 8.1 | 8.25 | | 130.8 |
| | M | 182.8 | 8.5 | 7.50 | 188.0 | 8.8 | 8.25 | 186.9 | 7.5 | 8.00 | | 131.4 |
| | A | 185.3 | 8.6 | 7.50 | 189.9 | 8.2 | 8.25 | 191.1 | 7.6 | 7.75 | | 132.4 |
| | M | 182.6 | 7.6 | 7.50 | 188.6 | 7.7 | 8.25 | 187.1 | 7.3 | 7.75 | | 129.8 |
| | J | 183.9 | 8.0 | 7.50 | 188.8 | 7.5 | 8.00 | 189.8 | 7.7 | 7.75 | | 131.1 |
| | J | 186.3 | 8.2 | 7.50 | 189.9 | 6.8 | 8.00 | 190.5 | 6.8 | 7.75 | | 129.8 |
| | A | 187.0 | 8.0 | 7.50 | 192.1 | 8.0 | 7.75 | 191.9 | 7.7 | 7.75 | | 130.9 |
| | S | 187.1 | 6.1 | 7.50 | 193.9 | 6.7 | 7.75 | 194.0 | 6.9 | 7.75 | | 131.1 |
| | O | 188.7 | 8.3 | 7.50 | 195.2 | 8.0 | 7.75 | 195.2 | 7.9 | 7.75 | | 131.4 |
| | N | 190.2 | 8.1 | 7.75† | 196.6 | 7.8 | 8.00 | 197.1 | 7.8 | 7.75 | | 132.0 |
| | D | 191.3 | 7.4 | 7.75 | 196.6† | 8.4 | 8.00 | 200.0† | 8.3 | 8.00 | | 133.6 |
| 1987 | J | 192.8† | 7.8† | 7.50 | 200.0 | 7.8† | 7.75† | 200.1 | 7.9† | 7.75† | | 136.2 |

1 The seasonal adjustment factors currently used are based on data up to December 1982.
2 Estimated to the nearest quarter of one percentage point. For the derivation of recent underlying changes see 'Employment Topics' item in Employment Gazette December 1986.
3 Revised definition.
4 The method for calculating whole economy unit wage costs has been revised. The output measure of GDP has replaced the income measure in the calculation, and an adjustment incorporated to cover the earnings of the self-employed. (See 'Employment Gazette', May 1988.)

## Earnings, wages, retail prices and output



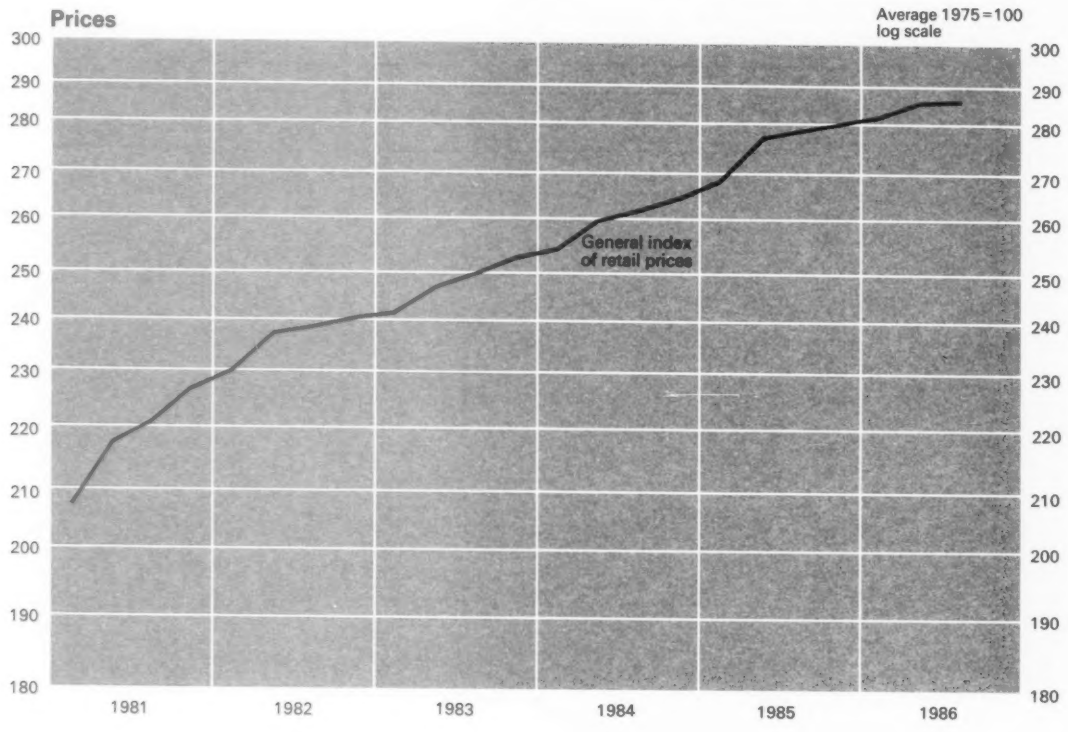

[1] Quarterly average of monthly figures

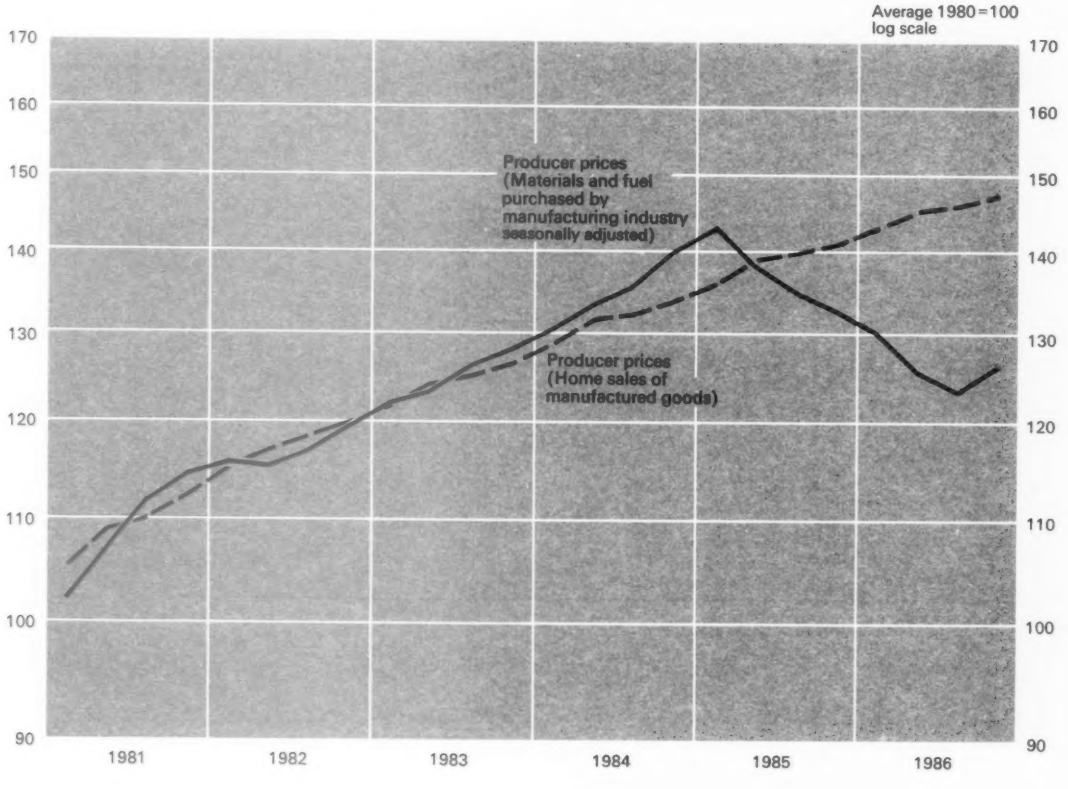
## Prices

| | | Seasonally adjusted | Unadjusted | | | | | | | | | Average 1980=100p |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Average 1980=100 | | Average 1975=100(1) | | | | | | | | |
| | | Producer price index | | General index of retail prices | | | | | | Pensioner price index(2) | | |
| | | | Output | | | | | All items other than seasonal food | | | | |
| | | Materials and fuel purchased by manufacturing industry | All manufactured products | All items | | | | | | | | |
| | | | Home sales | Index | Percentage increase on year earlier | Total food | Total non-food | Index | Percentage increase on year earlier | One person household | Two person household | Purchasing power of the pound(3) |
| | | DZDQ | DZCV | FJAC | FJAD | FJAE | FJAF | FJAG | FJAH | FJAI | FJAJ | FJAK |
| 1978 | | 81.6 | 79.1 | 146.2 | 8.3 | 152.9 | 144.3 | 146.4 | 9.0 | 150.4 | 149.8 | 134 |
| 1979 | | 92.2 | 87.7 | 165.8 | 13.3 | 171.2 | 164.3 | 165.9 | 13.2 | 168.0 | 167.6 | 118 |
| 1980 | | 100.0 | 100.0 | 195.6 | 18.1 | 191.9 | 196.5 | 196.3 | 18.5 | 195.7 | 194.5 | 100 |
| 1981 | | 109.3 | 109.5 | 218.8 | 11.9 | 208.2 | 221.6 | 219.8 | 11.9 | 218.0 | 217.1 | 88 |
| 1982 | | 117.2 | 118.0 | 237.6 | 8.7 | 224.5 | 241.1 | 238.4 | 8.5 | 238.3 | 236.8 | 82 |
| 1983 | | 125.3 | 124.4 | 248.6 | 4.6 | 231.6 | 253.1 | 249.5 | 4.7 | 249.0 | 247.6 | 78 |
| 1984 | | 135.5 | 132.1 | 260.9 | 5.0 | 244.6 | 265.2 | 261.4 | 4.7 | 261.4 | 260.3 | 75 |
| 1985 | | 137.7 | 139.4 | 276.8 | 6.1 | 252.3 | 283.2 | 277.9 | 6.3 | 274.1 | 273.0 | 71 |
| 1986 | | 126.5 | 145.7 | 286.3 | 3.4 | 260.5 | 293.0 | 287.1 | 3.3 | 283.0 | 281.7 | 68 |
| 1982 | 4 | 119.7 | 120.1 | 241.3 | 6.2 | 223.9 | 246.0 | 243.1 | 6.5 | 242.5 | 240.8 | 81 |
| 1983 | 1 | 122.2 | 121.8 | 242.6 | 4.9 | 226.6 | 246.8 | 244.0 | 5.5 | 245.3 | 243.3 | 81 |
| | 2 | 123.6 | 124.2 | 247.5 | 3.8 | 229.8 | 252.2 | 248.6 | 4.4 | 247.6 | 246.3 | 78 |
| | 3 | 126.7 | 125.1 | 250.7 | 4.6 | 232.8 | 255.5 | 251.6 | 4.4 | 249.6 | 248.4 | 78 |
| | 4 | 128.7 | 126.8 | 253.5 | 5.0 | 237.3 | 257.7 | 253.9 | 4.4 | 253.6 | 252.4 | 77 |
| 1984 | 1 | 131.0 | 129.0 | 255.1 | 5.1 | 241.3 | 258.7 | 255.2 | 4.6 | 256.8 | 255.4 | 77 |
| | 2 | 134.1 | 132.0 | 260.3 | 5.1 | 246.9 | 263.8 | 260.0 | 4.6 | 261.9 | 261.1 | 75 |
| | 3 | 136.3 | 132.8 | 262.5 | 4.7 | 245.1 | 267.2 | 263.3 | 4.6 | 262.1 | 261.0 | 74 |
| | 4 | 140.8 | 134.5 | 265.8 | 4.8 | 245.2 | 271.2 | 267.0 | 5.2 | 264.8 | 263.8 | 74 |
| 1985 | 1 | 143.7 | 136.6 | 269.2 | 5.5 | 249.7 | 274.3 | 270.0 | 5.8 | 269.0 | 268.0 | 73 |
| | 2 | 138.7 | 139.4 | 278.4 | 7.0 | 254.8 | 284.6 | 279.0 | 7.3 | 275.1 | 274.1 | 70 |
| | 3 | 135.4 | 140.2 | 279.1 | 6.3 | 251.6 | 286.4 | 280.7 | 6.6 | 275.0 | 273.9 | 70 |
| | 4 | 133.0 | 141.4 | 280.5 | 5.5 | 253.1 | 287.7 | 281.9 | 5.6 | 277.4 | 276.2 | 70 |
| 1986 | 1 | 130.0 | 143.4 | 282.5 | 4.9 | 257.6 | 289.0 | 283.4 | 5.0 | 280.3 | 278.9 | 69 |
| | 2 | 125.9 | 145.7 | 286.1 | 2.8 | 262.2 | 292.4 | 286.6 | 2.7 | 283.6 | 282.0 | 68 |
| | 3 | 123.5 | 146.3 | 286.5 | 2.6 | 261.1 | 293.1 | 287.4 | 2.4 | 283.4 | 282.2 | 68 |
| | 4 | 126.7 | 147.4 | 290.1 | 3.4 | 261.3 | 297.6 | 291.2 | 3.3 | 284.7 | 283.6 | 67 |
| 1985 | F | 144.4 | 136.6 | 269.0 | 5.4 | 249.4 | 274.2 | 269.9 | 5.8 | .. | .. | 73 |
| | M | 144.2 | 137.5 | 271.6 | 6.1 | 251.6 | 276.9 | 272.2 | 6.4 | .. | .. | 72 |
| | A | 140.1 | 139.1 | 277.3 | 6.9 | 254.2 | 283.4 | 277.9 | 7.3 | .. | .. | 71 |
| | M | 138.6 | 139.5 | 278.6 | 7.0 | 254.5 | 284.9 | 279.3 | 7.4 | .. | .. | 70 |
| | J | 137.4 | 139.6 | 279.2 | 7.0 | 255.1 | 285.5 | 279.9 | 7.3 | .. | .. | 70 |
| | J | 135.6 | 139.9 | 278.7 | 6.9 | 251.5 | 285.8 | 280.2 | 7.3 | .. | .. | 70 |
| | A | 135.4 | 140.1 | 279.4 | 6.2 | 251.5 | 286.8 | 281.1 | 6.5 | .. | .. | 70 |
| | S | 135.1 | 140.5 | 279.3 | 5.9 | 251.9 | 286.5 | 280.9 | 6.0 | .. | .. | 70 |
| | O | 133.6 | 140.8 | 279.7 | 5.4 | 251.7 | 287.1 | 281.3 | 5.6 | .. | .. | 70 |
| | N | 133.1 | 141.5 | 280.7 | 5.5 | 253.1 | 287.9 | 282.1 | 5.5 | .. | .. | 70 |
| | D | 132.2 | 141.9 | 281.0 | 5.7 | 254.6 | 288.0 | 282.2 | 5.6 | .. | .. | 70 |
| 1986 | J | 131.6 | 142.7 | 281.6 | 5.5 | 255.9 | 288.4 | 282.7 | 5.6 | .. | .. | 69 |
| | F | 130.2 | 143.3 | 282.7 | 5.1 | 257.8 | 289.3 | 283.7 | 5.1 | .. | .. | 69 |
| | M | 128.2 | 144.3 | 283.1 | 4.2 | 259.0 | 289.4 | 283.8 | 4.2 | .. | .. | 69 |
| | A | 125.6 | 145.4 | 285.8 | 3.0 | 260.6 | 292.4 | 286.5 | 3.1 | .. | .. | 68 |
| | M | 126.6 | 145.9 | 286.4 | 2.8 | 262.4 | 292.5 | 286.7 | 2.7 | .. | .. | 68 |
| | J | 125.4 | 145.8 | 286.2 | 2.5 | 263.6 | 292.2 | 286.5 | 2.4 | .. | .. | 68 |
| | J | 122.2 | 146.0 | 285.4 | 2.4 | 260.6 | 291.9 | 286.3 | 2.2 | .. | .. | 69 |
| | A | 123.4 | 146.3 | 286.3 | 2.5 | 261.5 | 292.8 | 287.1 | 2.1 | .. | .. | 68 |
| | S | 125.0 | 146.7 | 287.7 | 3.0 | 261.3 | 294.5 | 288.7 | 2.8 | .. | .. | 68 |
| | O | 126.4 | 147.0 | 288.1 | 3.0 | 260.8 | 295.3 | 289.3 | 2.8 | .. | .. | 68 |
| | N | 127.1 | 147.4 | 290.6 | 3.5 | 260.7 | 298.4 | 291.7 | 3.4 | .. | .. | 67 |
| | D | 126.6† | 147.9 | 291.5 | 3.7 | 262.4 | 299.1 | 292.6 | 3.7 | .. | .. | 67 |
| 1987 | J | 127.1 | 148.8† | 292.7 | 3.9 | 265.6 | 299.8 | 293.4 | 3.8 | .. | .. | 67 |
| | F | 127.1 | 149.3 | 293.9† | 3.9† | 267.5† | 300.0† | 294.3† | 3.7† | .. | .. | 67† |

1 The index numbers are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
2 All items except housing.
3 Movements in the purchasing power of the pound are based on movements in the general index of retail prices.

## Prices

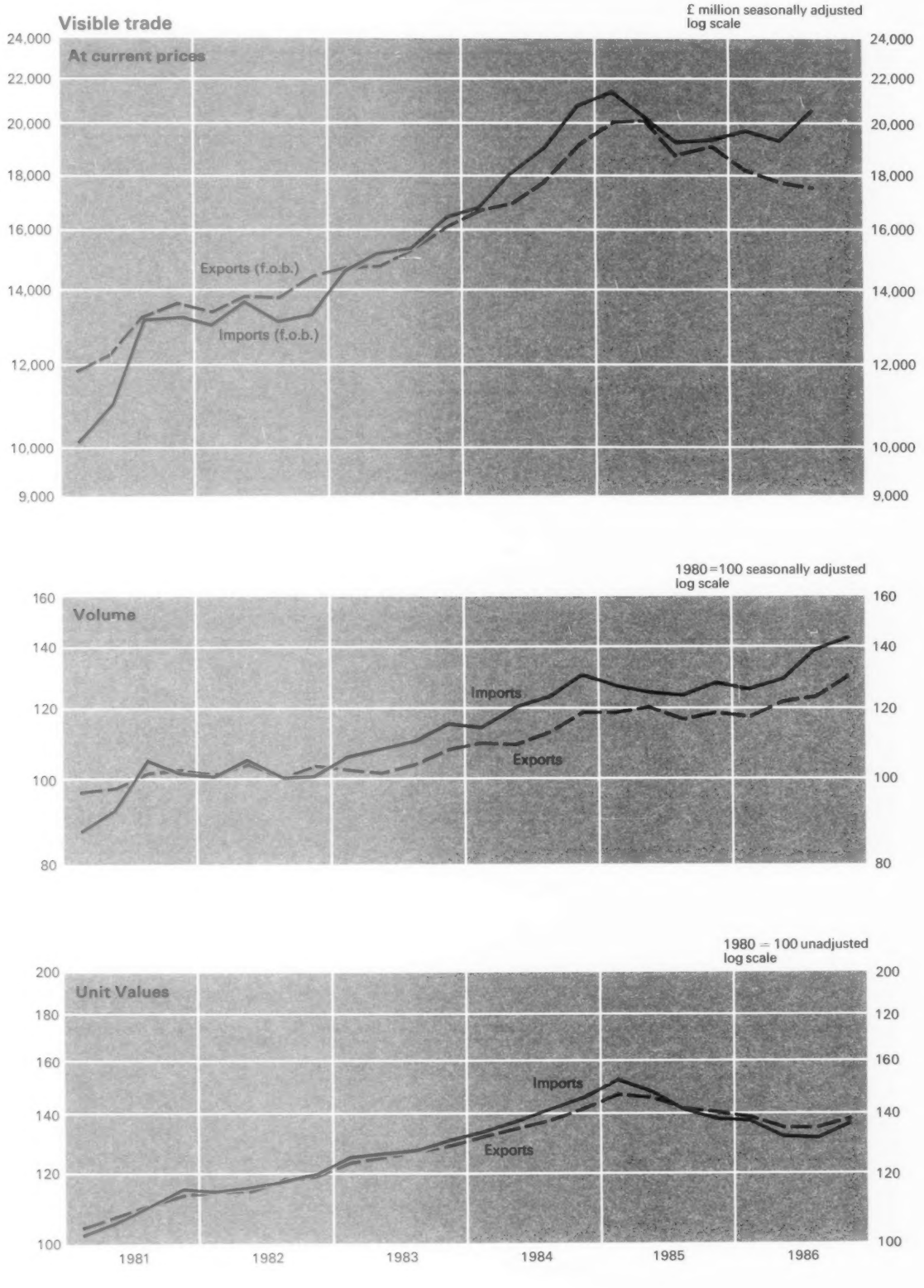

Average 1975 = 100
log scale
300
290
280
270
260
250
240
230
220
210
200
190
180
General index of retail prices
1981
1982
1983
1984
1985
1986


Average 1980 = 100
log scale
170
160
150
140
130
120
110
100
90
Producer prices (Materials and fuel purchased by manufacturing industry seasonally adjusted)
Producer prices (Home sales of manufactured goods)
1981
1982
1983
1984
1985
1986

## Visible trade

| | | Seasonally adjusted | | Unadjusted | | |
|---|---|---|---|---|---|---|
| | | 1980=100 | | 1980=100 | | |
| | | Volume indices(1) | | Unit value indices(1) | | |
| | | Exports | Imports | Exports | Imports | Terms of trade(2) |
| | | CGTR | CGTS | CGTO | CGTP | CGTQ |
| 1976 | | 85.4 | 89.6 | 60.8 | 70.9 | 85.7 |
| 1977 | | 92.1 | 91.3 | 72.0 | 82.1 | 87.7 |
| 1978 | | 94.5 | 95.5 | 79.1 | 85.2 | 92.7 |
| 1979 | | 99.1 | 105.7 | 87.6 | 90.9 | 96.4 |
| 1980 | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 1981 | | 99.3 | 96.3 | 108.8 | 108.2 | 100.5 |
| 1982 | | 101.9 | 101.5 | 116.2 | 116.7 | 99.6 |
| 1983 | | 103.8 | 109.7 | 125.7 | 127.5 | 98.6 |
| 1984 | | 112.5 | 121.8† | 136.0 | 139.7 | 97.4 |
| 1985 | | 116.7† | 126.0 | 143.5 | 145.2 | 98.8† |
| 1986 | | 123.1 | 133.9 | 136.6† | 134.0† | 101.9 |
| 1983 | 4 | 107.9 | 115.1 | 128.2 | 130.4 | 98.3 |
| 1984 | 1 | 109.5 | 113.6† | 131.4 | 133.9 | 98.2 |
| | 2 | 109.0† | 120.2 | 134.3 | 137.6 | 97.6† |
| | 3 | 112.8 | 123.6 | 137.1 | 141.4 | 96.9 |
| | 4 | 118.6 | 130.0 | 141.3 | 145.8 | 96.9 |
| 1985 | 1 | 118.7 | 126.3 | 146.4 | 152.3 | 96.1 |
| | 2 | 120.2 | 125.0 | 145.5 | 148.7 | 97.8 |
| | 3 | 116.2 | 124.8 | 141.7 | 141.4 | 100.2 |
| | 4 | 119.6 | 128.0 | 140.5 | 138.3† | 101.6 |
| 1986 | 1 | 117.5 | 124.9 | 139.0 | 137.6 | 101.0 |
| | 2 | 121.9 | 128.6 | 134.6 | 131.5 | 102.6 |
| | 3 | 122.6 | 138.5 | 134.3† | 130.2 | 103.1 |
| | 4 | 130.5 | 143.4 | 138.1 | 137.0 | 100.8 |
| 1984 | F | 113.3 | 111.1 | 131.8 | 134.3 | 98.0 |
| | M | 110.9 | 115.8 | 131.5 | 134.4 | 97.8 |
| | A | 105.1 | 119.5 | 133.1 | 137.1 | 97.1 |
| | M | 109.5 | 121.1 | 134.2 | 138.0 | 97.2 |
| | J | 112.3 | 120.0 | 135.5 | 137.8 | 98.3 |
| | J | 107.5 | 114.0 | 135.3 | 140.0 | 96.6 |
| | A | 116.2 | 127.2 | 138.0 | 141.5 | 97.6 |
| | S | 114.6 | 129.6 | 137.9 | 142.8 | 96.5 |
| | O | 117.6 | 134.1 | 140.3 | 144.5 | 97.1 |
| | N | 119.4 | 125.0 | 141.2 | 146.1 | 96.6 |
| | D | 118.9 | 130.9 | 142.4 | 146.8 | 97.0 |
| 1985 | J | 119.2 | 123.8 | 143.8 | 149.1 | 96.5 |
| | F | 119.2 | 125.6 | 146.6 | 153.2 | 95.7 |
| | M | 117.7 | 129.5 | 148.7 | 154.7 | 96.1 |
| | A | 121.4 | 126.8 | 147.1 | 151.8 | 96.9 |
| | M | 121.0 | 122.2 | 145.3 | 148.2 | 98.0 |
| | J | 118.1 | 125.9 | 144.0 | 146.0 | 98.6 |
| | J | 117.4 | 127.1 | 142.1 | 143.5 | 99.1 |
| | A | 114.8 | 122.4 | 141.4 | 140.2 | 100.8 |
| | S | 116.4 | 125.0 | 141.4 | 140.5 | 100.7 |
| | O | 119.8 | 126.8 | 140.5 | 139.1 | 101.0 |
| | N | 119.1 | 131.6 | 140.4 | 137.5 | 102.1 |
| | D | 120.0 | 125.6 | 140.5 | 138.1 | 101.7 |
| 1986 | J | 117.8 | 121.6 | 140.7 | 138.3 | 101.8 |
| | F | 120.4 | 124.7 | 138.7 | 137.8 | 100.7 |
| | M | 114.3 | 128.4 | 137.5 | 136.6 | 100.6 |
| | A | 123.6 | 124.2 | 135.3 | 132.9 | 101.8 |
| | M | 120.6 | 131.1 | 134.3 | 131.5 | 102.2 |
| | J | 121.6 | 131.2 | 134.9 | 130.1 | 103.7 |
| | J | 125.7 | 136.2 | 133.3 | 129.0 | 103.4 |
| | A | 115.9 | 139.9 | 134.3 | 129.4 | 103.8 |
| | S | 126.2 | 139.3 | 135.3 | 132.2 | 102.3 |
| | O | 127.0 | 139.6 | 137.6 | 135.6 | 101.5 |
| | N | 132.8 | 146.7 | 135.1 | 136.8 | 100.9 |
| | D | 131.6 | 143.9 | 135.7 | 138.5 | 100.1 |
| 1987 | J | 125.0 | 131.2 | 140.4 | 140.1 | 100.2 |

1 On a balance of payments basis.
2 Unit value index for exports expressed as a percentage of unit value index for imports.
BEDF


Visible trade
£ million seasonally adjusted
log scale
At current prices
24,000
22,000
20,000
18,000
16,000
14,000
12,000
10,000
9,000
Exports (f.o.b.)
Imports (f.o.b.)
Volume
1980=100 seasonally adjusted
log scale
160
140
120
100
80
Imports
Exports
Unit Values
1980 = 100 unadjusted
log scale
200
180
160
140
120
100
Imports
Exports
1981
1982
1983
1984
1985
1986

## Measures of UK competitiveness in trade in manufactures

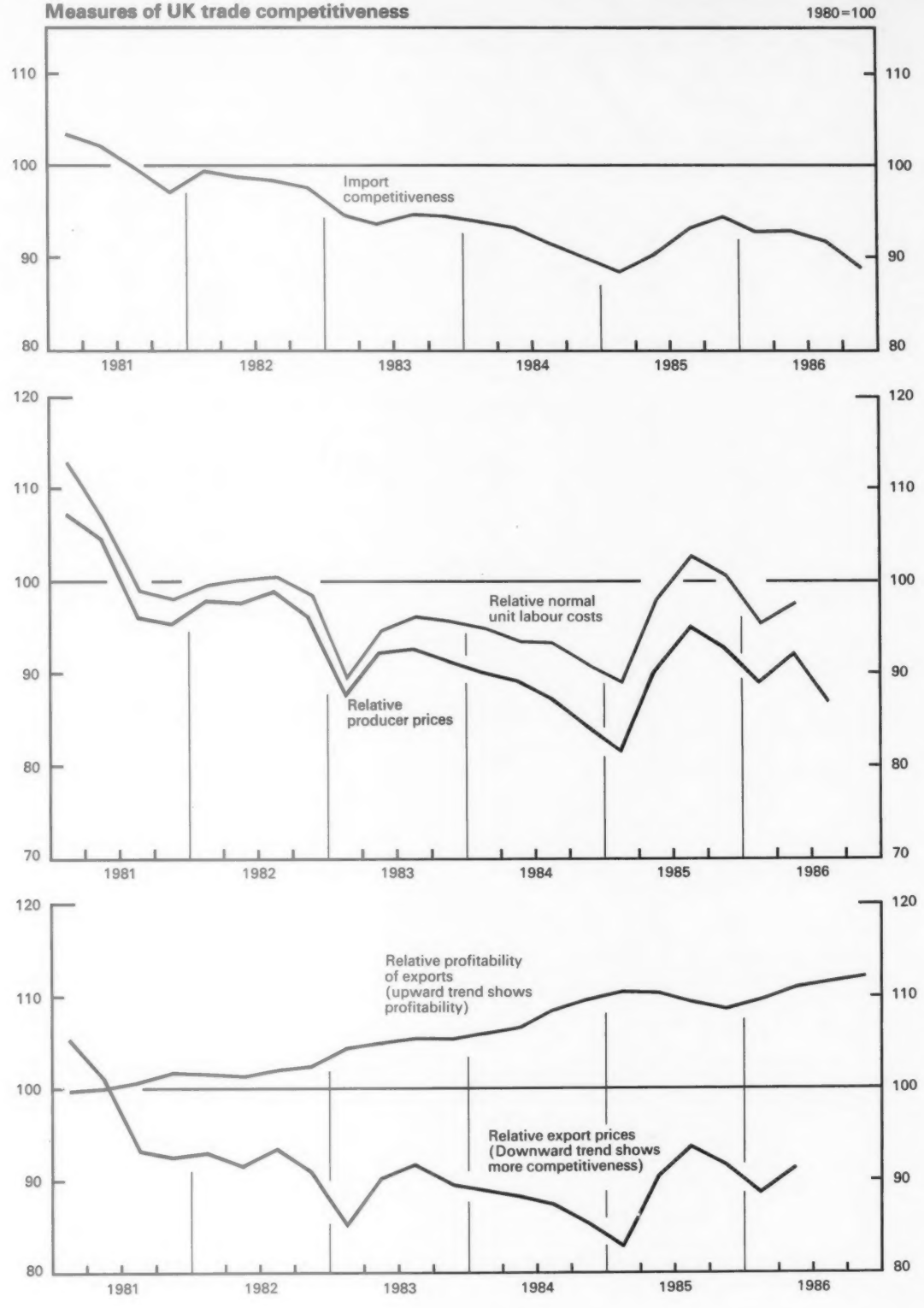
1980 = 100

| | | Summary measures(1) | | | | | | Export unit value index(2) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Relative export prices(3) | Relative producer prices(3) | IMF index of relative unit labour costs(2) Actual | IMF index of relative unit labour costs(2) Normalised | Import price competitiveness(4) | Relative profitability of exports(4) | United Kingdom | United States | Japan | France | Federal Republic of Germany |
| | | FLAA | FLAB | FLAC | FLAD | FLAE | FLAF | FLAG | FLAH | FLAI | FLAJ | FLAK |
| 1983 | | 89.2 | 91.0 | 86.6 | 95.7 | 94.3 | 105.0 | 81.0 | 120 | 97 | 79 | 82 |
| 1984 | | 87.6 | 87.7 | 84.3 | 93.7 | 92.0 | 107.8 | 77.1 | 121 | 97 | 78 | 74 |
| 1985 | | 88.7 | 90.0 | 87.1 | 97.6 | 91.8† | 109.7 | 78.7 | 124 | 95 | 81 | 75 |
| 1986 | | | | | | 91.4 | 111.1 | 92.7 | 128† | | | |
| 1984 | 4 | 85.2 | 84.4 | 82.4 | 91.1 | 89.9 | 109.8 | 72.8 | 122 | 94 | 76 | 71 |
| 1985 | 1 | 83.0 | 81.6 | 78.6 | 89.0 | 88.7† | 110.5 | 68.7 | 124 | 91 | 72 | 67 |
| | 2 | 90.5 | 90.5 | 87.0 | 98.2 | 90.5 | 110.3 | 77.8 | 125 | 94 | 77 | 71 |
| | 3 | 93.7 | 95.0 | 92.2 | 102.9 | 93.4 | 109.4 | 84.5 | 124 | 95 | 84 | 78 |
| | 4 | 91.7 | 92.8 | 90.4 | 100.5 | 94.6 | 108.7 | 87.6 | 124 | 103 | 90 | 86 |
| 1986 | 1 | 88.6† | 89.0 | 86.1 | 95.2 | 92.7 | 109.8 | 89.5 | 125 | 109 | 97 | 93 |
| | 2 | 91.4 | 92.2 | 87.7 | 98.6 | 92.8 | 110.9 | 94.7 | 127 | 116 | 98 | 96 |
| | 3 | 87.1 | 86.9 | 81.5 | 92.9 | 91.5 | 111.5† | 94.4 | 129 | 119† | 104† | 103† |
| | 4 | | | | | 88.8 | 112.0 | 92.3 | 130† | | | |
| | | Percentage change, quarter on corresponding quarter of previous year | | | | | | | | | | |
| 1984 | 4 | -4.9 | -7.6 | -5.5 | -6.2 | -4.8 | +4.3 | -8.0 | +2 | -5 | -3 | -9 |
| 1985 | 1 | -6.8 | -8.4 | -8.0 | -7.2 | -5.5 | +4.2 | -14.0 | +2 | -9 | -8 | -13 |
| | 2 | +2.3 | +1.5 | +3.1 | +4.5 | -2.8 | +3.5 | -2.2 | +2 | -6 | -5 | -7 |
| | 3 | +6.8 | +8.9 | +9.9 | +9.9 | +2.2 | +0.6 | +11.0 | +2 | -1 | +9 | +8 |
| | 4 | +7.6 | +10.0 | +9.7 | +10.3 | +5.2 | -1.0 | +20.4 | +2 | -10 | +20 | +20 |
| 1986 | 1 | +6.8 | +9.1 | +9.5 | +7.0 | +4.6 | -0.6 | +30.3 | +1 | +20 | +35 | +39 |
| | 2 | +1.0 | +1.9 | +0.8 | +0.4 | +2.5 | +0.5 | +21.7 | +2 | +23 | +27 | +35 |
| | 3 | -7.1 | -8.5 | -11.6 | -9.7 | -2.1 | +1.9 | +11.7 | +4 | +25 | +24 | +32 |
| | 4 | | | | | -6.1 | +3.0 | +5.4 | +5 | | | |

| | | Producer price index(2) | | | | | Unit labour costs index(2) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | United Kingdom | United States | Japan | France | Federal Republic of Germany | United Kingdom(5) | United States | Japan | France | Federal Republic of Germany |
| | | FLAL | FLAM | FLAN | FLAO | FLAP | FLAQ | FLAR | FLAS | FLAT | FLAU |
| 1983 | | 81.1 | 113.1 | 95.5 | 76.2 | 82.6 | 75 | 111 | 107 | 74 | 77 |
| 1984 | | 75.8 | 115.9 | 95.6 | 71.4 | 76.2 | 68 | 109 | 103 | 68 | 69 |
| 1985 | | 77.8 | 116.4 | 94.6 | 74.2 | 75.8 | 69 | 111 | 104 | 68 | 67 |
| 1986 | | | | | | | 83† | | | | |
| 1985 | 1 | 65.5 | 116.1 | 88.4 | 65.2 | 67.8 | 58 | 111 | 95 | 61 | 60 |
| | 2 | 75.3 | 116.5 | 90.2 | 70.3 | 71.8 | 66 | 110 | 97 | 64 | 63 |
| | 3 | 82.9 | 116.1 | 93.8 | 76.6 | 77.8 | 74 | 111 | 103 | 69 | 68 |
| | 4 | 87.3 | 116.7 | 106.1 | 84.7 | 85.6 | 79 | 112 | 122 | 76 | 76 |
| 1986 | 1 | 88.7 | 115.1 | 115.0 | 92.0 | 93.4 | 81 | 112 | 135 | 84 | 86 |
| | 2 | 94.4 | 112.9 | 123.9 | 93.2 | 96.1 | 85 | 112 | 149 | 84 | 89 |
| | 3 | 93.6 | 112.4 | 132.2 | 98.4 | 102.4 | 84† | 111 | 163 | 89 | 98 |
| | 4 | | | | | | 81 | | | | |
| | | Percentage change, quarter on corresponding quarter of previous year | | | | | | | | | |
| 1985 | 1 | -17.6 | +0.8 | -9.7 | -10.8 | -14.5 | -19 | +3 | -11 | -12 | -19 |
| | 2 | -4.9 | +0.3 | -8.4 | -5.4 | -8.9 | -5 | +2 | -9 | -10 | -13 |
| | 3 | +12.0 | +0.1 | +0.4 | +9.4 | +4.7 | +13 | +2 | +3 | +5 | +3 |
| | 4 | +24.2 | +0.5 | +14.8 | +24.2 | +19.6 | +25 | +2 | +24 | +18 | +20 |
| 1986 | 1 | +35.4 | -0.9 | +30.1 | +41.1 | +37.8 | +39 | +1 | +42 | +38 | +43 |
| | 2 | +25.4 | -3.1 | +37.4 | +32.6 | +33.8 | +28 | +2 | +54 | +32 | +41 |
| | 3 | +12.9 | -3.2 | +40.9 | +28.5 | +31.6 | +13 | - | +59 | +29 | +43 |
| | 4 | | | | | | +3 | | | | |

1 The summary measures of competitiveness were described in Economic Trends No 304, February 1979. Revised measures of import price competitiveness and relative profitability of exports were described in an article in Economic Trends No 319, May 1980 - see footnote 3.
2 All the indices are in terms of US dollars.
3 Figures are now base weighted using 1980 export data. Downwards movements indicate greater competitiveness.
4 Excludes erratics (ships, North Sea installations, aircraft, precious stones and silver bullion).
5 See footnote 4 on page 40.

**Measures of UK trade competitiveness**

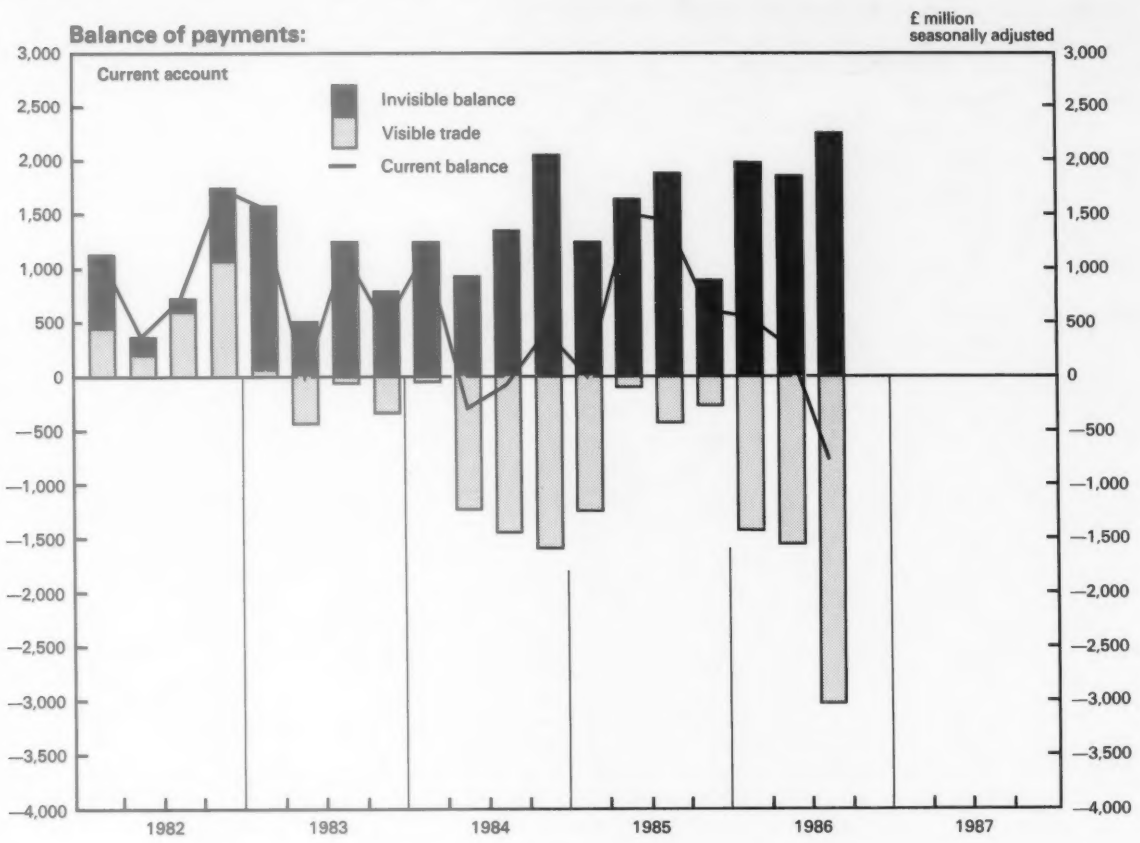


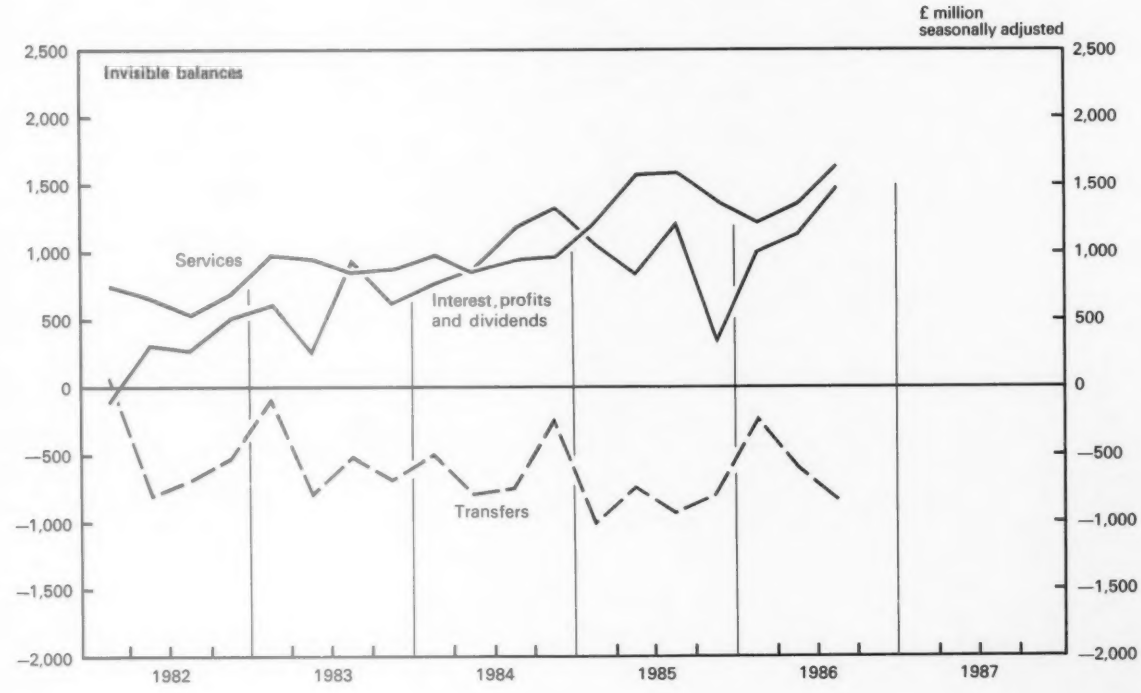
## Balance of payments: current account

£ million, seasonally adjusted

| | | Visible trade | | | Invisibles | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Balances | | | | |
| | | Exports (f.o.b.) | Imports (f.o.b.) | Balance | Credits | Debits | Total(1) | Services | IPD | Transfers | Current balance |
| | | CGKG | CGHK | AIMA | CGKR | CGHT | AIMB | AIMC | AIMD | AIME | AIMF |
| 1976 | | 25 191 | 29 120 | -3 929 | 19 188 | 16 179 | 3 009 | 2 245 | 1 550 | -786 | -920 |
| 1977 | | 31 728 | 34 012 | -2 284 | 21 326 | 19 178 | 2 148 | 3 038 | 238 | -1 128 | -136 |
| 1978 | | 35 063 | 36 605 | -1 542 | 24 848 | 22 341 | 2 507 | 3 478 | 820 | -1 791 | 965 |
| 1979 | | 40 687 | 44 136 | -3 449 | 33 224 | 30 492 | 2 732 | 3 818 | 1 193 | -2 279 | -717 |
| 1980 | | 47 422 | 46 061 | 1 361 | 41 008 | 39 440 | 1 568 | 3 868 | -222 | -2 078 | 2 929 |
| 1981 | | 50 977 | 47 617 | 3 360 | 56 635 | 53 836 | 2 799 | 3 826 | 949 | -1 976 | 6 159 |
| 1982 | | 55 565 | 53 234 | 2 331 | 64 593 | 62 988† | 1 605† | 2 607 | 959† | -1 961 | 3 936† |
| 1983 | | 60 776 | 61 611 | -835 | 65 225 | 61 255 | 3 970 | 3 654† | 2 420 | -2 104 | 3 135 |
| 1984 | | 70 367 | 74 751 | -4 384 | 76 872† | 71 206 | 5 666 | 3 837 | 4 145 | -2 316† | 1 282 |
| 1985 | | 78 111† | 80 289† | -2 178† | 80 167 | 75 043 | 5 124 | 5 708 | 2 937 | -3 521 | 2 946 |
| 1986 | | 72 842 | 81 096 | -8 254 | 75 880 | 68 726 | 7 154 | 5 319 | 4 256 | -2 421 | -1 100 |
| 1982 | 1 | 13 481 | 13 039 | 442 | 15 883† | 15 189† | 694† | 749† | -128† | 73 | 1 136† |
| | 2 | 13 857 | 13 660 | 197 | 16 039 | 15 860 | 179 | 681 | 305 | -807 | 376 |
| | 3 | 13 803 | 13 182 | 621 | 15 993 | 15 929 | 64 | 486 | 278 | -700 | 685 |
| | 4 | 14 424 | 13 353 | 1 071 | 16 678 | 16 010 | 668 | 691 | 504 | -527 | 1 739 |
| 1983 | 1 | 14 682 | 14 613 | 69 | 17 374 | 15 864 | 1 510 | 978 | 621 | -89 | 1 579 |
| | 2 | 14 745 | 15 210 | -465 | 15 411 | 14 995 | 416 | 974 | 248 | -804 | -49 |
| | 3 | 15 290 | 15 376 | -86 | 15 975 | 14 736 | 1 239 | 818 | 942 | -521 | 1 153 |
| | 4 | 16 059 | 16 412 | -353 | 16 465 | 15 660 | 805 | 884 | 611 | -690 | 452 |
| 1984 | 1 | 16 693† | 16 706† | -13† | 17 767 | 16 505 | 1 262 | 985 | 782 | -505† | 1 249 |
| | 2 | 16 855 | 18 124 | -1 269 | 17 841 | 16 915 | 926 | 865 | 872 | -811 | -343 |
| | 3 | 17 628 | 19 144 | -1 516 | 19 618 | 18 260 | 1 358 | 953 | 1 166 | -761 | -158 |
| | 4 | 19 191 | 20 777 | -1 586 | 21 646 | 19 528 | 2 120 | 1 034 | 1 325 | -239 | 534 |
| 1985 | 1 | 20 081 | 21 279 | -1 198 | 21 657 | 20 574 | 1 083 | 1 174 | 931 | -1 022 | -115 |
| | 2 | 20 192 | 20 404 | -212 | 20 228 | 18 714 | 1 514 | 1 565 | 708 | -759 | 1 302 |
| | 3 | 18 703 | 19 299 | -596 | 19 383 | 17 640 | 1 743 | 1 555 | 1 121 | -933 | 1 147 |
| | 4 | 19 135 | 19 307 | -172 | 18 899 | 18 115 | 784 | 1 414 | 177 | -807 | 612 |
| 1986 | 1 | 18 164 | 19 391 | -1 227 | 18 921 | 17 012 | 1 909 | 1 210 | 804 | -105 | 682 |
| | 2 | 17 786 | 19 337 | -1 551 | 18 356 | 16 899 | 1 457 | 1 197 | 880 | -620 | -94 |
| | 3 | 17 553 | 20 426 | -2 873 | 19 212 | 17 270 | 1 942 | 1 432 | 1 330 | -820 | -931 |
| | 4 | 19 339 | 21 942 | -2 603 | 19 391 | 17 545 | 1 846 | 1 480 | 1 242 | -876 | -757 |
| 1985 | J | 6 614 | 6 781 | -167 | .. | .. | 411 | .. | .. | .. | 244 |
| | F | 6 706 | 7 105 | -399 | .. | .. | 394 | .. | .. | .. | -5 |
| | M | 6 761 | 7 393 | -632 | .. | .. | 438 | .. | .. | .. | -184 |
| | A | 6 921 | 7 029 | -108 | .. | .. | 546 | .. | .. | .. | 438 |
| | M | 6 775 | 6 644 | 132 | .. | .. | 545 | .. | .. | .. | 677 |
| | J | 6 495 | 6 731 | -235 | .. | .. | 546 | .. | .. | .. | 311 |
| | J | 6 372 | 6 667 | -295 | .. | .. | 628 | .. | .. | .. | 334 |
| | A | 6 115 | 6 247 | -131 | .. | .. | 628 | .. | .. | .. | 497 |
| | S | 6 216 | 6 387 | -170 | .. | .. | 628 | .. | .. | .. | 458 |
| | O | 6 389 | 6 404 | -15 | .. | .. | 243 | .. | .. | .. | 228 |
| | N | 5 330 | 6 606 | -276 | .. | .. | 244 | .. | .. | .. | -32 |
| | D | 6 415 | 6 296 | 119 | .. | .. | 409 | .. | .. | .. | 528 |
| 1986 | J | 5 239 | 6 192 | 48 | .. | .. | 954 | .. | .. | .. | 1 002 |
| | F | 5 160 | 6 463 | -304 | .. | .. | 516 | .. | .. | .. | 212 |
| | M | 5 765 | 6 736 | -971 | .. | .. | 516 | .. | .. | .. | -455 |
| | A | 5 049 | 6 303 | -255 | .. | .. | 618 | .. | .. | .. | 363 |
| | M | 5 870 | 6 555 | -685 | .. | .. | 618 | .. | .. | .. | -67 |
| | J | 5 867 | 6 478 | -612 | .. | .. | 618 | .. | .. | .. | 6 |
| | J | 5 970 | 6 629 | -659 | .. | .. | 751 | .. | .. | .. | 92 |
| | A | 5 480 | 6 863 | -1 383 | .. | .. | 751 | .. | .. | .. | -632 |
| | S | 6 103 | 6 934 | -831 | .. | .. | 751 | .. | .. | .. | -80 |
| | O | 6 294 | 7 009 | -715 | .. | .. | 600 | .. | .. | .. | -115 |
| | N | 6 569 | 7 569 | -1 000 | .. | .. | 600 | .. | .. | .. | -400 |
| | D | 6 477 | 7 364 | -887 | .. | .. | 600 | .. | .. | .. | -287 |
| 1987 | J | 6 204 | 6 731 | -527 | .. | .. | 600 | .. | .. | .. | 73 |

1 One third of the appropriate calendar quarter's estimate or projection, except for European Community budget refunds received in October 1984, January and March 1985 and European Community lump sum VAT abatements received in December 1985 and January 1986.

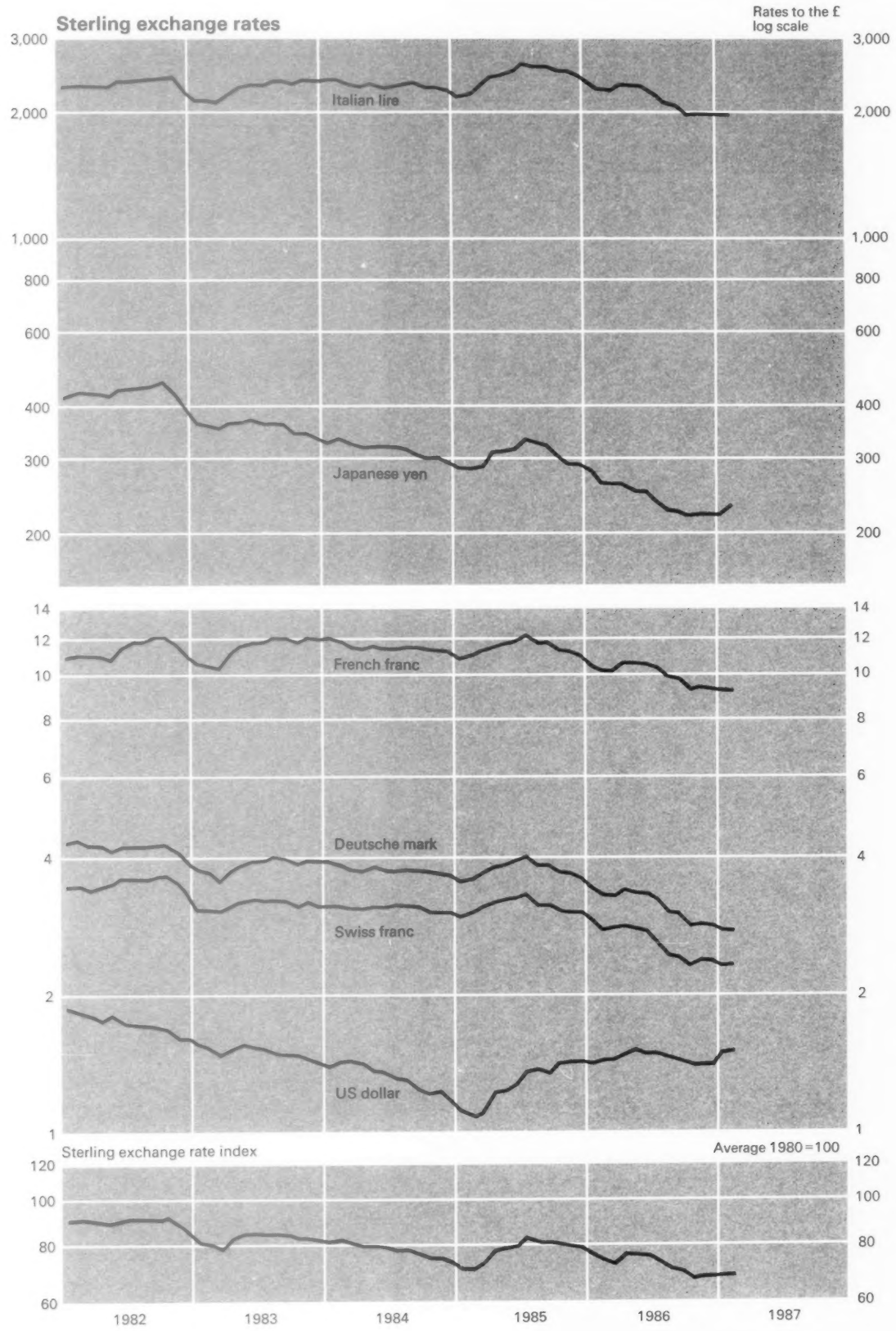

Balance of payments:
£ million
seasonally adjusted
Current account
Invisible balance
Visible trade
Current balance
3,000
2,500
2,000
1,500
1,000
500
0
—500
—1,000
—1,500
—2,000
—2,500
—3,000
—3,500
—4,000
1982
1983
1984
1985
1986
1987


£ million
seasonally adjusted
Invisible balances
Services
Interest, profits
and dividends
Transfers
2,500
2,000
1,500
1,000
500
0
—500
—1,000
—1,500
—2,000
1982
1983
1984
1985
1986
1987

## Sterling exchange rates and UK official reserves

| | | Sterling exchange rate against major currencies(1) | | | | | | $ million | Average 1975=100 |
|---|---|---|---|---|---|---|---|---|---|
| | | Japanese yen | US dollar | Swiss franc | French franc | Italian lira | Deutsche-mark | UK official reserves(2) at end of period | Sterling exchange rate index |
| | | AJFO | AJFA | AJFD | AJFE | AJFF | AJFH | AIPI | AJHT |
| 1978 | | 402.7 | 1.920 | 3.423 | 8.64 | 1 628 | 3.851 | 15 694 | 81.5 |
| 1979 | | 465.5 | 2.123 | 3.527 | 9.03 | 1 762 | 3.887 | 22 538 | 87.3 |
| 1980 | | 525.6 | 2.328 | 3.894 | 9.83 | 1 992 | 4.227 | 27 476 | 96.1 |
| 1981 | | 444.6 | 2.025 | 3.969 | 10.94 | 2 287 | 4.556 | 23 347 | 95.3 |
| 1982 | | 435.2 | 1.749 | 3.547 | 11.48 | 2 364 | 4.243 | 16 997 | 90.7 |
| 1983 | | 359.9 | 1.516 | 3.182 | 11.55 | 2 302 | 3.870 | 17 817 | 83.3 |
| 1984 | | 316.8 | 1.336 | 3.130 | 11.63 | 2 339 | 3.791 | 15 694 | 78.8 |
| 1985 | | 307.1 | 1.298 | 3.155 | 11.55 | 2 463 | 3.784 | 15 543 | 78.7 |
| 1986 | | 246.8† | 1.467† | 2.635† | 10.16† | 2 186† | 3.183† | 21 923 | 72.9† |
| 1983 | 1 | 380.8 | 1.532 | 3.085 | 10.55 | 2 144 | 3.688 | 17 337 | 80.6 |
| | 2 | 369.1 | 1.554 | 3.225 | 11.61 | 2 295 | 3.863 | 17 711 | 84.3 |
| | 3 | 365.8 | 1.509 | 3.242 | 12.02 | 2 375 | 3.989 | 17 902 | 84.9 |
| | 4 | 344.1 | 1.470 | 3.173 | 11.99† | 2 387 | 3.935 | 17 817 | 83.2 |
| 1984 | 1 | 331.1 | 1.435 | 3.157 | 11.91 | 2 385 | 3.876 | 16 749 | 81.7 |
| | 2 | 320.7 | 1.397 | 3.135 | 11.62 | 2 339 | 3.784 | 15 505 | 79.8 |
| | 3 | 315.9 | 1.298 | 3.166 | 11.63† | 2 334 | 3.787 | 15 260 | 78.0 |
| | 4 | 298.2 | 1.216 | 3.060 | 11.39 | 2 298 | 3.716 | 15 694 | 75.1 |
| 1985 | 1 | 287.1 | 1.115 | 3.070 | 11.09 | 2 255 | 3.629 | 13 528 | 72.1 |
| | 2 | 315.2 | 1.258 | 3.255 | 11.83 | 2 474 | 3.878 | 14 318 | 78.9 |
| | 3 | 328.0 | 1.376 | 3.231 | 11.94 | 2 603 | 3.917 | 14 176 | 82.1 |
| | 4 | 297.3 | 1.436 | 3.063 | 11.32 | 2 513 | 3.708 | 15 543 | 79.8 |
| 1986 | 1 | 270.2 | 1.440 | 2.845 | 10.37 | 2 300 | 3.378 | 18 750 | 75.1 |
| | 2 | 256.3 | 1.509 | 2.813 | 10.77 | 2 322 | 3.386 | 19 188 | 76.1 |
| | 3 | 232.1 | 1.489 | 2.512 | 10.09 | 2 138 | 3.106 | 22 426 | 71.9 |
| | 4 | 229.5 | 1.430 | 2.380 | 9.39† | 1 987 | 2.868 | 21 923 | 68.3 |
| 1984 | A | 320.3 | 1.424 | 3.114 | 11.56 | 2 327 | 3.760 | 15 941 | 79.9 |
| | M | 320.3 | 1.389 | 3.149 | 11.71 | 2 357 | 3.819 | 15 835 | 80.0 |
| | J | 321.5 | 1.377 | 3.142 | 11.59 | 2 333 | 3.772 | 15 505 | 79.4 |
| | J | 320.8 | 1.321 | 3.181 | 11.55 | 2 311 | 3.761 | 15 374 | 78.4 |
| | A | 318.3 | 1.314 | 3.176 | 11.64 | 2 338 | 3.791 | 15 347 | 78.4 |
| | S | 308.8 | 1.259 | 3.142 | 11.69 | 2 352 | 3.808 | 15 260 | 77.3 |
| | O | 301.1 | 1.220 | 3.079 | 11.48 | 2 317 | 3.744 | 15 353 | 75.6 |
| | N | 302.2 | 1.242 | 3.061 | 11.40 | 2 309 | 3.714 | 15 496 | 75.7 |
| | D | 294.3 | 1.187 | 3.040 | 11.29 | 2 270 | 3.689 | 15 694 | 74.0 |
| 1985 | J | 286.8 | 1.129 | 2.999 | 10.95 | 2 199 | 3.577 | 15 521 | 71.5 |
| | F | 284.7 | 1.093 | 3.064 | 11.02 | 2 229 | 3.608 | 15 353 | 71.3 |
| | M | 289.8 | 1.123 | 3.146 | 11.31 | 2 336 | 3.701 | 13 528 | 73.4 |
| | A | 312.3 | 1.242 | 3.210 | 11.69 | 2 446 | 3.830 | 14 025 | 78.0 |
| | M | 314.6 | 1.250 | 3.264 | 11.84 | 2 476 | 3.882 | 13 978 | 78.8 |
| | J | 318.7 | 1.281 | 3.292 | 11.96 | 2 502 | 3.923 | 14 318 | 79.9 |
| | J | 332.6 | 1.378 | 3.323 | 12.21 | 2 620 | 4.014 | 14 256 | 83.3 |
| | A | 328.4 | 1.383 | 3.185 | 11.81 | 2 591 | 3.865 | 14 256 | 81.7 |
| | S | 322.8 | 1.365 | 3.185 | 11.81 | 2 597 | 3.871 | 14 176 | 81.4 |
| | O | 305.2 | 1.422 | 3.062 | 11.46 | 2 537 | 3.755 | 18 310 | 80.4 |
| | N | 293.6 | 1.440 | 3.065 | 11.38 | 2 523 | 3.734 | 15 976 | 80.0 |
| | D | 293.2 | 1.446 | 3.043 | 11.11 | 2 478 | 3.632 | 15 543 | 79.1 |
| 1986 | J | 284.7 | 1.423 | 2.941 | 10.66 | 2 368 | 3.473 | 15 560 | 76.6 |
| | F | 283.8 | 1.430 | 2.792 | 10.23 | 2 269 | 3.335 | 15 810 | 74.2 |
| | M | 282.1 | 1.467 | 2.801 | 10.23 | 2 263 | 3.325 | 18 750 | 74.6 |
| | A | 282.2 | 1.499 | 2.846 | 10.79 | 2 332 | 3.403 | 18 987 | 76.3 |
| | M | 253.8 | 1.521 | 2.817 | 10.78 | 2 322 | 3.387 | 19 186 | 76.1 |
| | J | 252.8 | 1.509 | 2.775 | 10.74 | 2 312 | 3.369 | 19 188 | 75.9 |
| | J | 239.4 | 1.508 | 2.633 | 10.45 | 2 229 | 3.248 | 19 083 | 74.0 |
| | A | 229.2 | 1.487 | 2.470 | 9.99 | 2 111 | 3.066 | 18 924 | 71.4 |
| | S | 227.6 | 1.472 | 2.434 | 9.83 | 2 075 | 3.003 | 22 426 | 70.4 |
| | O | 223.1 | 1.428 | 2.344 | 9.38 | 1 980 | 2.861 | 21 992 | 67.8 |
| | N | 232.0 | 1.425 | 2.400 | 9.43 | 1 986 | 2.884 | 22 006 | 68.5 |
| | D | 233.2 | 1.436 | 2.395 | 9.39 | 1 984 | 2.880 | 21 923 | 68.5 |
| 1987 | J | 232.9 | 1.507 | 2.348 | 9.33 | 1 982 | 2.797 | 21 952† | 68.9 |
| | F | 234.2† | 1.527† | 2.351† | 9.28† | 1 981† | 2.785† | 22 257 | 69.0† |

1 Average of daily Telegraphic Transfer rates in London.
2 Apart from transactions, the level of official reserves is affected by changes in the dollar valuation of gold, Special Drawing Rights and convertible currencies. From end-March 1979 these rates are revised annually. These valuation changes are described in detail in the footnotes of Table 18 of the quarterly balance of payments articles in the March, June, September and December issues of Economic Trends. At end-March 1986 the valuation change increased the level of reserves by $2505 million. The effect of changes in earlier years are given in earlier editions of this table.


Sterling exchange rates
Rates to the £
log scale
3,000
2,000
1,000
800
600
400
300
200
Italian lire
Japanese yen
14
12
10
8
6
4
2
1
French franc
Deutsche mark
Swiss franc
US dollar
Sterling exchange rate index
Average 1980=100
120
100
80
60
1982
1983
1984
1985
1986
1987

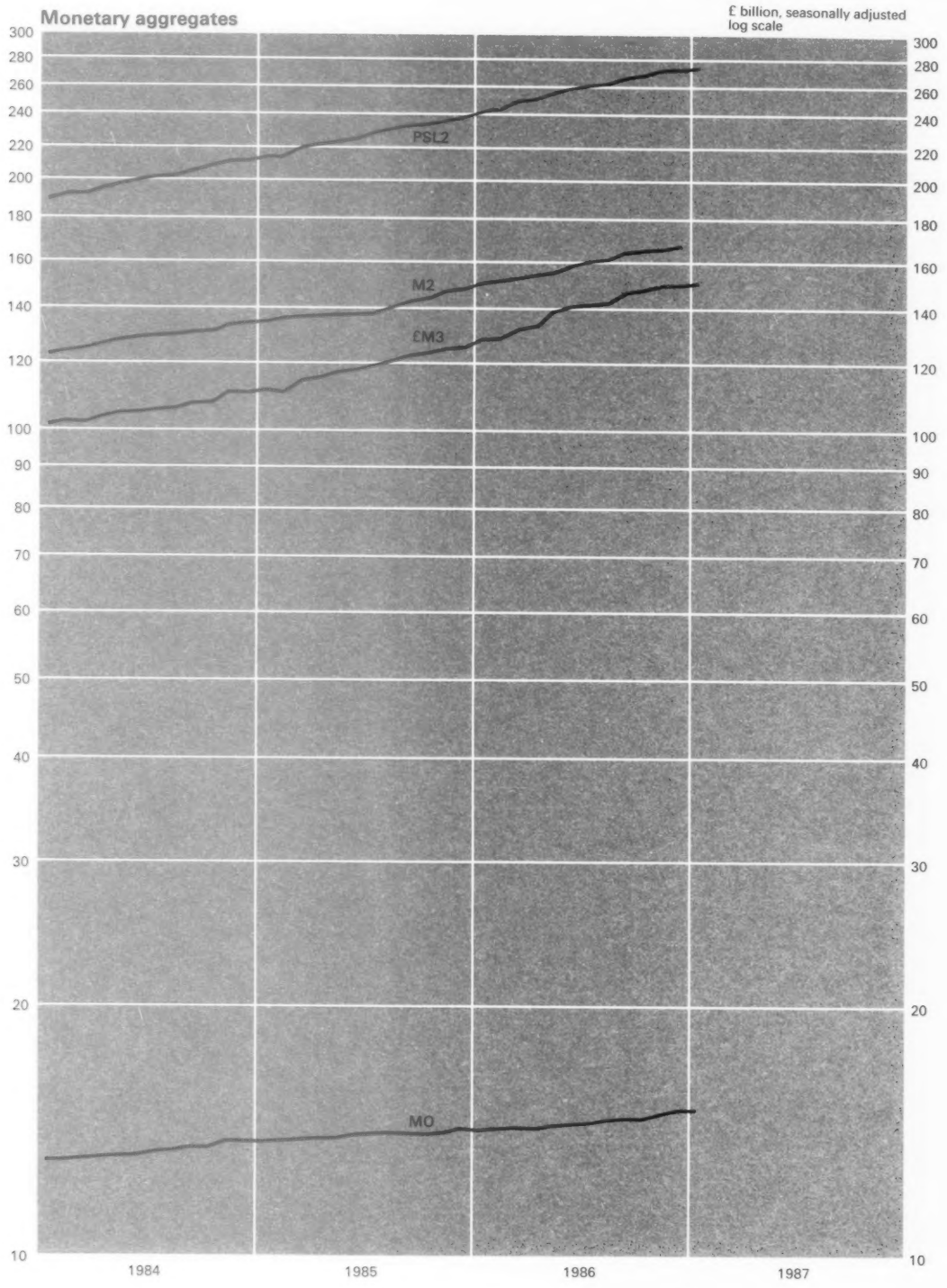
## Monetary aggregates

£ million

Seasonally adjusted

| | | 'Narrow' money | | | 'Broad money' | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | M0-the wide monetary base | | | M2- transactions balances | | | £M3(1) | | | PSL 2 (2) | | |
| | | Amount outstanding(3) | Change(3) | Percentage change | Amount outstanding | Change | Percentage change | Amount outstanding | Change | Percentage change | Amount outstanding | Change | Percentage change |
| | | | | | AUYB | | | AGBC | AGCT | | | AJNB | AJXB |
| 1982 | 1 | .. | .. | .. | .. | .. | .. | - | .. | .. | .. | .. | .. |
| | 2 | .. | .. | .. | .. | .. | .. | 87 147 | .. | .. | .. | .. | .. |
| | 3 | .. | .. | .. | 102 659 | .. | .. | 88 681 | 1 546 | .. | .. | .. | .. |
| | 4 | .. | .. | .. | 109 316 | .. | .. | 90 795 | 2 210 | .. | .. | .. | .. |
| 1983 | 1 | | | | | | | 95 860 | | | | | |
| | | .. | .. | .. | 112 591 | .. | .. | 95 132 | 3 769 | .. | .. | .. | .. |
| | 2 | .. | .. | .. | 114 443 | .. | .. | 97 435 | 2 382 | .. | .. | .. | .. |
| | 3 | .. | .. | .. | 115 922 | .. | .. | 98 457 | 1 036 | .. | .. | .. | .. |
| | 4 | .. | .. | .. | 121 045 | .. | .. | 100 791 | 2 252 | .. | .. | .. | .. |
| 1984 | 1 | .. | .. | .. | 125 255 | .. | .. | 102 812 | 2 022 | .. | 193 140 | 5 641 | .. |
| | 2 | .. | .. | .. | 129 007 | .. | .. | 105 581 | 2 791 | .. | 200 652 | 7 557 | .. |
| | 3 | .. | .. | .. | 131 289 | .. | .. | 108 101 | 2 568 | .. | 206 316 | 5 696 | .. |
| | 4 | .. | .. | .. | 135 053 | .. | .. | 111 123 | 2 569 | .. | 212 559 | 5 779 | .. |
| 1985 | 1 | .. | .. | .. | 137 559 | .. | .. | 115 062 | 3 857 | .. | 220 317 | 7 673 | .. |
| | 2 | .. | .. | .. | 138 278 | .. | .. | 118 335 | 2 941 | .. | 226 289 | 5 673 | .. |
| | 3 | .. | .. | .. | 143 465 | .. | .. | 123 214 | 4 715 | .. | 233 590 | 7 190 | .. |
| | 4 | .. | .. | .. | 147 859 | .. | .. | 126 220 | 2 974 | .. | 239 366 | 5 665† | .. |
| 1986 | 1 | .. | .. | .. | 152 593 | .. | .. | 134 536† | 8 155† | .. | 250 455 | 10 954 | .. |
| | 2 | .. | .. | .. | 159 012 | .. | .. | 141 220 | 6 934 | .. | 260 373 | 10 133 | .. |
| | 3 | .. | .. | .. | 165 694 | .. | .. | 147 248 | 6 164 | .. | 267 536 | 7 419 | .. |
| | 4 | .. | .. | .. | 168 836 | .. | .. | 150 299 | 2 286 | .. | 273 832 | 4 751 | .. |
| Calendar month | | AVAE | AVAJ | FHBE | | | | AGBC | AGDT | | | | FHBD |
| 1984 | M | 13 344 | 112 | +0.8† | 128 345† | | +1.0† | 105 401 | 1 233 | .. | 198 633† | 2 617 | +1.3† |
| | J | 13 441 | 97 | +0.7 | 129 007 | | +0.5 | 105 581 | 181 | .. | 200 652 | 2 011 | +1.0 |
| | J | 13 512 | 71 | +0.5 | 129 880 | | +0.7 | 105 952 | 381 | .. | 202 139 | 1 493 | +0.7 |
| | A | 13 528 | 16 | +0.1 | 130 244 | | +0.3 | 106 212 | 277 | .. | 203 618 | 1 483 | +0.7 |
| | S | 13 634 | 106 | +0.8 | 131 289 | | +0.8 | 108 101 | 1 910 | .. | 206 316 | 2 720 | +1.3 |
| | O | 13 645 | 11 | +0.1 | 131 951 | | +0.5 | 108 700 | 597 | .. | 208 459 | 2 138 | +1.0 |
| | N | 13 882 | 237 | +1.7 | 134 234 | | +1.7 | 111 738 | 2 695 | .. | 212 274 | 3 468 | +1.8 |
| | D | 13 834 | -48 | -0.3 | 135 053 | | +0.6 | 111 123 | -723 | .. | 212 559 | 173 | +0.1 |
| 1985 | J | 13 828 | -6 | - | 135 624 | | +0.4 | 112 296 | 1 153 | .. | 216 001 | 3 416 | +1.6 |
| | F | 13 864 | 36 | +0.3 | 136 761 | | +0.8 | 111 879 | -448 | .. | 215 869 | -171 | -0.1 |
| | M | 13 954 | 90 | +0.6 | 137 559 | | +0.6 | 115 032 | 3 152 | .. | 220 317 | 4 428 | +2.1 |
| | A | 14 019 | 65 | +0.5 | 137 772 | | +0.2 | 115 781 | 540 | .. | 222 081 | 1 623† | +0.8 |
| | M | 14 043 | 24 | +0.2 | 138 134 | | +0.3 | 117 332 | 1 473 | .. | 224 454 | 2 298 | +1.1 |
| | J | 14 133 | 90 | +0.6 | 138 278 | | +0.1 | 118 335 | 928 | .. | 226 289 | 1 752 | +0.8 |
| | J | 14 154 | 21 | +0.1 | 138 975 | | +0.5 | 119 573 | 1 175 | .. | 228 581 | 2 248 | +1.0 |
| | A | 14 167 | 13 | +0.1 | 141 022 | | +1.5 | 121 550 | 1 921 | .. | 231 102 | 2 494 | +1.1 |
| | S | 14 147 | -20 | -0.1 | 143 465 | | +1.7 | 123 214 | 1 619 | .. | 233 590 | 2 448 | +1.1 |
| | O | 14 139 | -8 | -0.1 | 144 332 | | +0.6 | 124 009 | 783 | .. | 234 753 | 1 146 | +0.5 |
| | N | 14 224 | 85 | +0.6 | 147 109 | | +1.9 | 125 303 | 1 274 | .. | 237 300 | 2 518 | +1.1 |
| | D | 14 412 | 188 | +1.3 | 147 859 | | +0.5 | 126 220 | 917 | .. | 239 366 | 2 001 | +0.9 |
| 1986 | J | 14 367 | -45 | -0.3 | 149 937 | | +1.4 | 128 422 | 2 225 | .. | 243 258 | 3 921 | +1.6 |
| | F | 14 387 | 20 | +0.1 | 151 164 | | +0.8 | 129 754 | 1 382 | .. | 245 970 | 2 755 | +1.1 |
| | M | 14 452 | 65 | +0.5 | 152 593 | | +0.9 | 134 536† | 4 568† | .. | 250 455 | 4 278 | +1.8 |
| | A | 14 409 | -43 | -0.3 | 154 261 | | +1.1 | 135 853 | 1 470 | .. | 252 328 | 1 986 | +0.7 |
| | M | 14 540 | 131 | +0.9 | 155 698 | | +0.9 | 140 043 | 4 230 | .. | 257 269 | 4 987 | +2.0 |
| | J | 14 592 | 52 | +0.4 | 159 012 | | +2.1 | 141 220 | 1 234 | .. | 260 373 | 3 180 | +1.2 |
| | J | 14 600 | 8 | +0.1 | 161 480 | | +1.6 | 142 374 | 1 218 | .. | 262 681 | 2 356 | +0.9 |
| | A | 14 742 | 142 | +1.0 | 162 233 | | +0.5 | 142 827 | 473 | .. | 264 760 | 2 084 | +0.8 |
| | S | 14 827 | 85 | +0.6 | 165 694 | | +2.1 | 147 248 | 4 473 | .. | 267 536 | 2 979 | +1.0 |
| | O | 14 826 | -1 | - | 166 306 | | +0.4 | 147 399 | 144 | .. | 269 095 | 1 451 | +0.6 |
| | N | 14 973 | 147 | +1.0 | 167 650 | | +0.8 | 149 282 | 1 891 | .. | 272 121 | 3 043 | +1.1 |
| | D | 15 188 | 215 | +1.4 | 168 836 | | +0.7 | 150 299 | 251 | .. | 273 832 | 257 | +0.6 |
| 1987 | J | 15 104† | -84† | -0.6 | - | | - | 151 848 | 1 631 | .. | 274 950 | 1 762 | +0.4 |

1 Excluding public sector deposits (see article in Economic Trends No 364, February 1984).
2 PSL 2 has been redefined to include term shares and SA 'E deposits with building societies and bank deposits with an original maturity of over two years. This series is available from the beginning of 1984.
3 The monthly figures for M0 give, in respect of the amounts outstanding, the average of the amounts outstanding on each Wednesday during the calendar month and, in respect of the change, the changes between the average amounts outstanding.

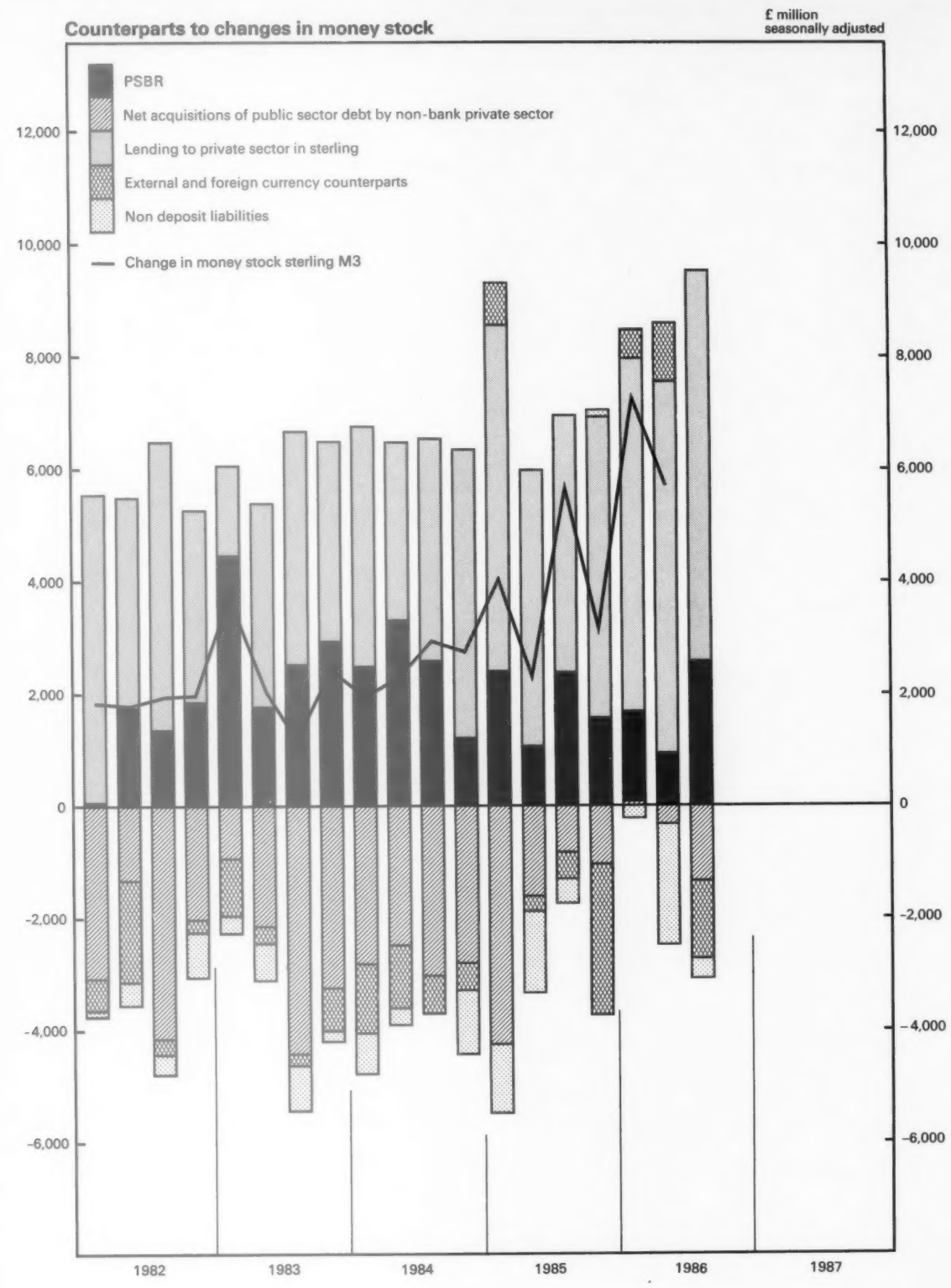

Monetary aggregates
£ billion, seasonally adjusted
log scale
300
280
260
240
220
200
180
160
140
120
100
90
80
70
60
50
40
30
20
10
PSL2
M2
£M3
M0
1984
1985
1986
1987

## Counterparts to changes in money stock

£ million, seasonally adjusted(1)

| | | Domestic counterparts | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Public sector borrowing requirement | | Net acquisition of public sector debt by UK non-bank private sector | | | | | | |
| | | Central government borrowing requirement | Other public sector contribution | Other public sector debt | Central government debt | Sterling lending to UK private sector(2) | Sub-total of domestic counter-parts | External and foreign currency counterparts(3) | Non-deposit sterling liabilities (net) | Money stock £M3 |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | | ABED | AAZM | AGFN | AGFO | AGFP | AGFQ | AGFR | AGGI | AGCT |
| 1984 | | 10 165 | 48 | -140 | 11 269 | 16 541† | 15 625 | -3 595 | -2 151† | 9 878 |
| 1985 | | 11 773 | -4 258 | -1 474 | 9 251 | 20 963 | 20 701† | -2 638† | -3 054 | 15 001 |
| 1986 | | 8 452† | -6 210† | | 5 953† | 29 557 | | | -2 991 | 22 915 |
| 1982 | 4 | 3 404 | -1 585 | 62 | 1 985 | 3 421† | 3 213 | -237 | -814† | 2 163 |
| 1983 | 1 | 5 418 | -980 | -191 | 1 137 | 1 610 | 5 102 | -1 044† | -299 | 3 759 |
| | 2 | 3 566 | -1 801 | -279 | 2 466 | 3 608 | 3 186 | -281 | -670 | 2 255 |
| | 3 | 2 611 | -109 | -239 | 4 658 | 4 135 | 2 216 | -220 | -793 | 1 205 |
| | 4 | 2 907 | 16 | 211 | 3 041 | 3 550 | 3 221 | -770 | -192 | 2 259 |
| 1984 | 1 | 2 981 | -514 | 50 | 2 760 | 4 272 | 3 929 | -1 265 | -727 | 1 938 |
| | 2 | 3 310 | -28 | 124 | 2 359 | 3 179 | 3 978 | -1 135 | -302 | 2 540 |
| | 3 | 2 337 | 248 | 78 | 2 953 | 3 948 | 3 502 | -698 | 20 | 2 823 |
| | 4 | 1 537 | 342 | -392 | 3 197 | 5 142 | 4 216 | -497 | -1 142 | 2 577 |
| 1985 | 1 | 2 961 | -581 | -255 | 4 494 | 6 178 | 4 319 | 713 | -1 260 | 3 773 |
| | 2 | 1 115 | 79 | -292 | 1 913 | 4 952 | 4 525 | -275 | -1 455 | 2 795 |
| | 3 | 4 151 | -1 782 | -579 | 1 437 | 4 510 | 6 021† | -360 | -458 | 5 177 |
| | 4 | 3 546 | -1 974 | -348 | 1 407 | 5 323 | 5 836 | -2 694 | 119 | 3 256 |
| 1986 | 1 | 3 172 | -1 572† | -311† | 271† | 6 262 | 7 902 | 553 | -234 | 8 216 |
| | 2 | 4 693 | -3 765 | -1 865 | 2 224 | 6 505 | 7 074 | 1 093 | -2 014 | 6 181 |
| | 3 | 3 137 | -682 | -222 | 1 443 | 6 649 | 7 883 | -1 768 | 194 | 6 421 |
| | 4 | -2 550† | -191 | | 2 015 | 10 251 | | | -937 | 2 097 |
| Calendar month Unadjusted | | | | | | | | | | |
| | | AGEP | AGEQ | AGFA | AGER | AGES | AGET | AGEU | AGGJ | AGDT |
| 1985 | F | 814 | 70 | -8 | -1 853 | 1 698 | 929 | -676 | 64 | 317 |
| | M | 1 211 | 3 | -8 | -1 140 | 1 810 | 1 884 | -342 | -563 | 979 |
| | A | 810 | 128 | 57 | -1 389 | 2 575 | 2 244 | 1 421 | -410 | 3 255 |
| | M | 383 | -4 | 57 | -701 | 1 438 | 1 116 | 45 | -653 | 508 |
| | J | 761 | -21 | 58 | -273 | 1 335 | 1 802 | 853 | -8 | 2 647 |
| | J | -91 | -477 | 163 | -468 | 1 531 | 495 | -754 | -581 | -840 |
| | A | 2 090 | -362 | 163 | -562 | 1 691 | 2 857 | -929 | 281 | 2 209 |
| | S | 1 955 | -338 | 162 | -57 | 944 | 2 504 | -15 | -377 | 2 112 |
| | O | 914 | -649 | 271 | -991 | 2 222 | 1 496 | 345 | -865 | 976 |
| | N | 1 905 | -1 089 | 271 | -773 | 2 067 | 2 110 | -935 | 1 232 | 2 407 |
| | D | 118 | 449 | 271 | -280 | 2 083 | 2 370 | -1 057 | -573 | 740 |
| 1986 | J | 53 | -352 | 13 | 386 | 375 | 462 | -210 | -156 | 96 |
| | F | 684 | -239 | 13 | -488 | 1 493 | 1 450 | 707 | -917 | 1 240 |
| | M | 857 | -361 | 13 | 62 | 2 577 | 3 135 | -261 | -32 | 2 842 |
| | A | 2 675 | -1 313 | 583 | -891 | 3 024 | 3 495 | 675 | -87 | 4 083 |
| | M | 1 642 | -930 | 583 | 196 | 1 697 | 2 605 | 929 | 317 | 3 851 |
| | J | 1 796 | -568 | 584 | -1 100 | 2 093 | 2 221 | 217 | -728 | 1 710 |
| | J | 576 | -338 | 44† | -912 | 3 167 | 2 493 | -735 | -1 552 | 206 |
| | A | 1 468 | -33 | 44 | -1 494 | 2 500 | 2 441 | -975 | 234 | 1 700 |
| | S | 2 892 | -210 | 44 | -89 | 887 | 3 500 | -952 | -328 | 2 220 |
| | O | | | -36 | | | | | | |
| | N | | | 399 | | | | | | |
| | D | | | -29 | | | | | | |
| 1987 | J | | | 42 | | | | | | |

Relationships between columns: 6 = 1+2-3-4+5; 9 = 6+7+8 (The figures combined in the bracket are column 2 less column 3.)
1 The seasonally adjusted figures do not always add to the calendar year total which is the sum of unadjusted quarterly figures.
2 Monetary sector lending plus Bank of England Issue Department holdings of commercial bills.
3 This now includes net non-deposit liabilities in foreign currency.


Counterparts to changes in money stock
£ million
seasonally adjusted
PSBR
Net acquisitions of public sector debt by non-bank private sector
Lending to private sector in sterling
External and foreign currency counterparts
Non deposit liabilities
Change in money stock sterling M3
12,000
10,000
8,000
6,000
4,000
2,000
0
-2,000
-4,000
-6,000
1982
1983
1984
1985
1986
1987

## General government receipts and expenditure (1)

£ million

| | | General government | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Receipts(2) | | Expenditure | | | | | | |
| | | Taxes, and social security contributions | Trading income rent, royalties interest etc. | Goods and services | | Current and capital transfers | | | | |
| | | | | Final consumption | Gross domestic capital formation | Current grants and subsidies | Capital transfers | Debt interest | Net lending etc(3) | Total | Public expenditure planning total |
| | | ABKA | ABKB | AAXI | ABKC | ABKD | AAYG | AAXL | ABAA | ABAB | ABAZ |
| 1982 | | 106 751 | 12 626 | 80 468 | 4 333 | 44 128 | 2 918 | 13 985 | 2 725 | 128 557 | 27 440 |
| 1983 | | 114 651 | 12 165 | 85 927 | 6 006 | 47 961 | 3 726 | 14 179 | 897 | 135 696 | 29 827 |
| 1984 | | 123 371 | 12 754 | 89 774 | 6 398 | 52 650 | 3 982 | 15 743 | -1 913 | 146 634 | 31 507 |
| 1985 | | 134 882 | 14 535 | 74 104 | 7 141 | 57 257 | 3 459 | 17 497 | -1 873 | 157 585 | 33 397 |
| 1983 | 3 | 28 183 | 2 950 | 18 304 | 1 424 | 12 035 | 869 | 3 893 | 19 | 34 544 | 29 542 |
| | 4 | 30 117 | 3 013 | 16 829 | 1 403 | 12 368 | 1 067 | 3 363 | -140 | 34 890 | 31 281 |
| 1984 | 1 | 32 152 | 3 162 | 17 054 | 2 296 | 13 198 | 1 329 | 4 348 | -377 | 37 858 | 32 282 |
| | 2 | 28 056 | 3 081 | 17 099 | 1 043 | 13 183 | 850 | 3 325 | -27 | 35 473 | 30 368 |
| | 3 | 31 125 | 3 274 | 17 586 | 1 584 | 13 142 | 850 | 4 149 | -357 | 36 947 | 31 338 |
| | 4 | 32 038 | 3 237 | 18 022 | 1 475 | 13 127 | 953 | 3 921 | -1 142 | 36 356 | 32 038 |
| 1985 | 1 | 35 087 | 3 650 | 18 584 | 2 458 | 14 885 | 1 083 | 4 656 | -436 | 41 230 | 36 051 |
| | 2 | 30 706 | 3 602 | 18 353 | 1 248 | 13 883 | 683 | 3 847 | -1 604 | 36 410 | 30 259 |
| | 3 | 34 119 | 3 568 | 18 345 | 1 727 | 14 179 | 851 | 4 666 | -47 | 39 721 | 32 979 |
| | 4 | 34 970 | 3 715 | 18 822 | 1 708 | 14 310 | 842 | 4 328 | 214 | 40 224 | 34 297 |
| 1986 | 1 | 37 286 | 3 445 | 19 640 | 2 940 | 14 395 | 982 | 4 817 | -640 | 42 134 | 36 208 |
| | 2 | 33 624 | 3 107 | 19 537 | 1 243 | 14 543 | 670 | 3 712 | -1 184 | 38 521 | 32 449 |
| | 3 | 34 277 | 3 144 | 19 654 | 1 658 | 14 927 | 774 | 4 760 | 38 | 41 811 | 34 834 |

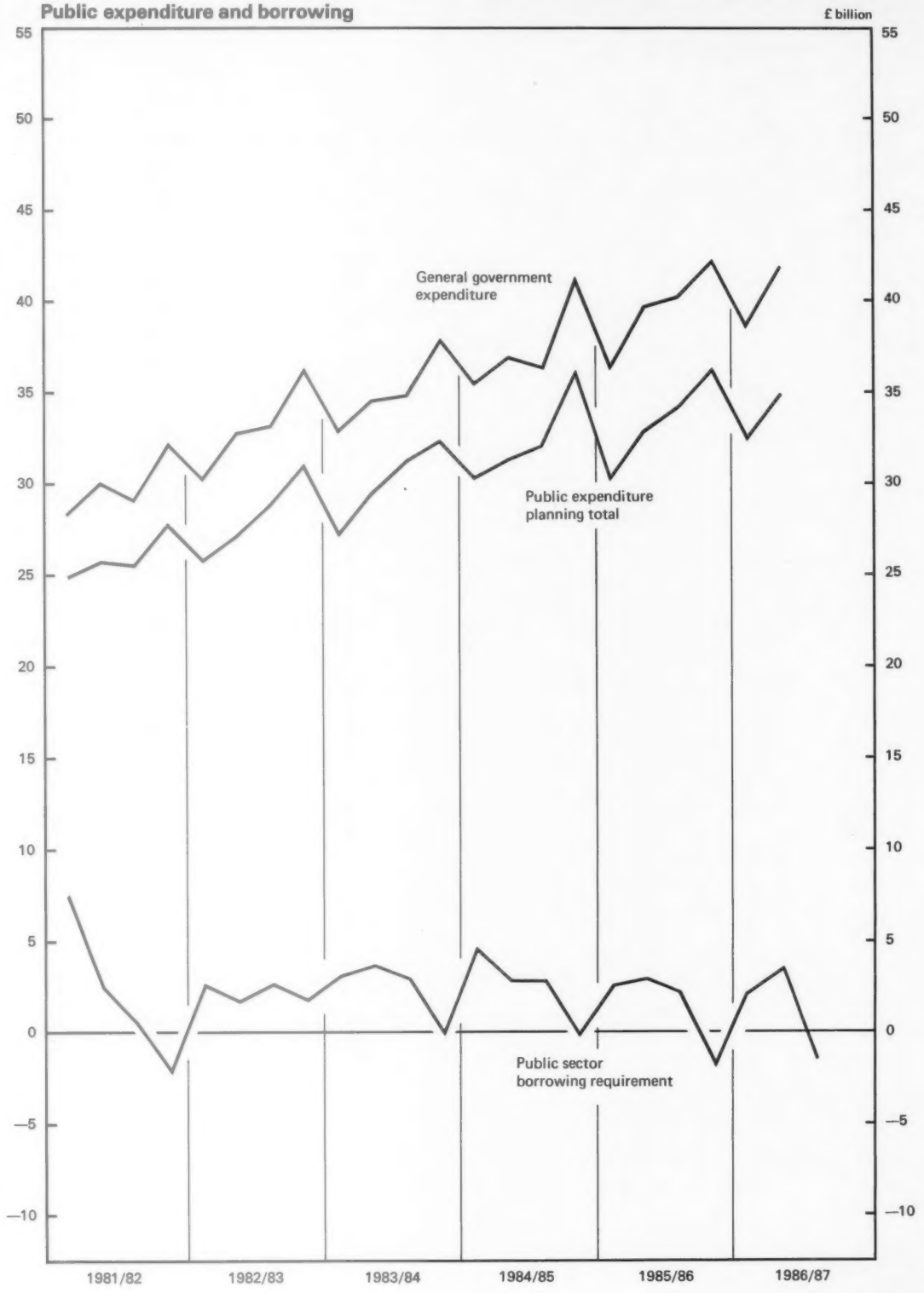
1 An article describing the new presentation of government income and expenditure was published in the March 1977 issue of Economic Trends.
2 Excluding financial transactions.
3 Net lending to public corporations, private sector and overseas; cash expenditure on company securities, etc.(net).

## Financial transactions of the public sector

£ million

| | | Financial deficit(1) | | | | Receipts | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Borrowing requirement(4) | | | |
| | | Total | General government(2) | Public corporations | Net lending etc., to private sector and overseas(3) | Total | Financial transactions (net receipts) | Total | Central government (own account)(5) | Local authorities | Public corporations | Seasonally adjusted Total(6) |
| | | FZAA | FZAB | FZAC | ABKG | ABKH | ABKI | ABEN | ABEB | ABEG | ABEM | ABFB |
| 1983 | | 11 164 | 10 983 | 181 | -640 | 10 524 | -1 104 | 11 628 | 9 203 | 1 232 | 1 193 | 11 628 |
| 1984 | | 13 056 | 12 422 | 634 | -2 488 | 10 568 | 355 | 10 213 | 8 887 | 2 304 | 1 022 | 10 213 |
| 1985 | | 10 211 | 10 041 | 170 | -2 384† | 7 827† | 312† | 7 515 | 8 138 | 1 578 | -201 | 7 515 |
| 1986 | | | | | | | | 2 232† | 2 312† | 674 | -754† | 2 232† |
| 1983 | 4 | 1 331 | 1 900 | -569 | -33 | 1 298 | -1 638 | 2 936 | 2 501 | -186 | 621 | 2 923 |
| 1984 | 1 | 2 634 | 2 921 | -287 | -428 | 2 206 | 2 286 | -80 | -933 | 1 121 | -268 | 2 467 |
| | 2 | 4 326 | 4 363 | -37 | -28 | 4 298 | -296 | 4 594 | 4 525 | 554 | -485 | 3 282 |
| | 3 | 3 781 | 2 915 | 866 | -680 | 3 101 | 244 | 2 857 | 1 926 | 884 | 247 | 2 585 |
| | 4 | 2 315 | 2 223 | 92 | -1 352 | 983 | -1 879 | 2 842 | 1 369 | -55 | 1 528 | 1 879 |
| 1985 | 1 | 3 450 | 2 929 | 521 | -125 | 3 325 | 3 446 | -121 | -1 202 | 1 202 | -121 | 2 380 |
| | 2 | 3 615 | 3 706 | -91 | -1 302† | 2 313† | -288† | 2 601 | 2 715 | 473 | -587 | 1 194 |
| | 3 | 2 496 | 2 081 | 415 | -530 | 1 966 | -983 | 2 949 | 2 353 | 640 | -44 | 2 369 |
| | 4 | 650 | 1 325 | -675 | -427 | 223 | -1 863 | 2 066 | 2 272 | -737 | 551 | 1 572 |
| 1986 | 1 | 1 598 | 2 043 | -445 | -735 | 864 | 2 749 | -1 885 | -3 254 | 1 298 | 73 | 1 600 |
| | 2 | 2 789 | 2 974 | -185 | -1 071 | 1 718 | -453 | 2 171 | 3 047 | -103 | -773 | 928 |
| | 3 | 4 835 | 4 352 | 483 | -33 | 4 800 | 1 032 | 3 576† | 3 644 | 130 | -199† | 2 451† |
| | 4 | | | | | | | -1 629 | -1 125† | -849 | 145 | -2 747 |
| 1986 | D | | | | | | | -1 376† | -1 621† | 64 | 181† | |
| 1987 | J | | | | | | | -3 665 | -3 444 | 38† | -259 | |
| | F | | | | | | | -340 | 135 | -122 | -353 | |

1 The excess of current and capital expenditure over receipts; corresponds to a negative figure of financial surplus/deficit.
2 Top table, columns 3 to 7, less 1 and 2.
3 Including cash expenditure on company securities (net).
4 Redefined: see article in Economic Trends No 364, February 1984.
5 Excluding borrowing matched by on-lending to local authorities and public corporations.
6 Calendar year constrained.


Public expenditure and borrowing
£ billion
55
50
45
40
35
30
25
20
15
10
5
0
—5
—10
General government expenditure
Public expenditure planning total
Public sector borrowing requirement
1981/82
1982/83
1983/84
1984/85
1985/86
1986/87

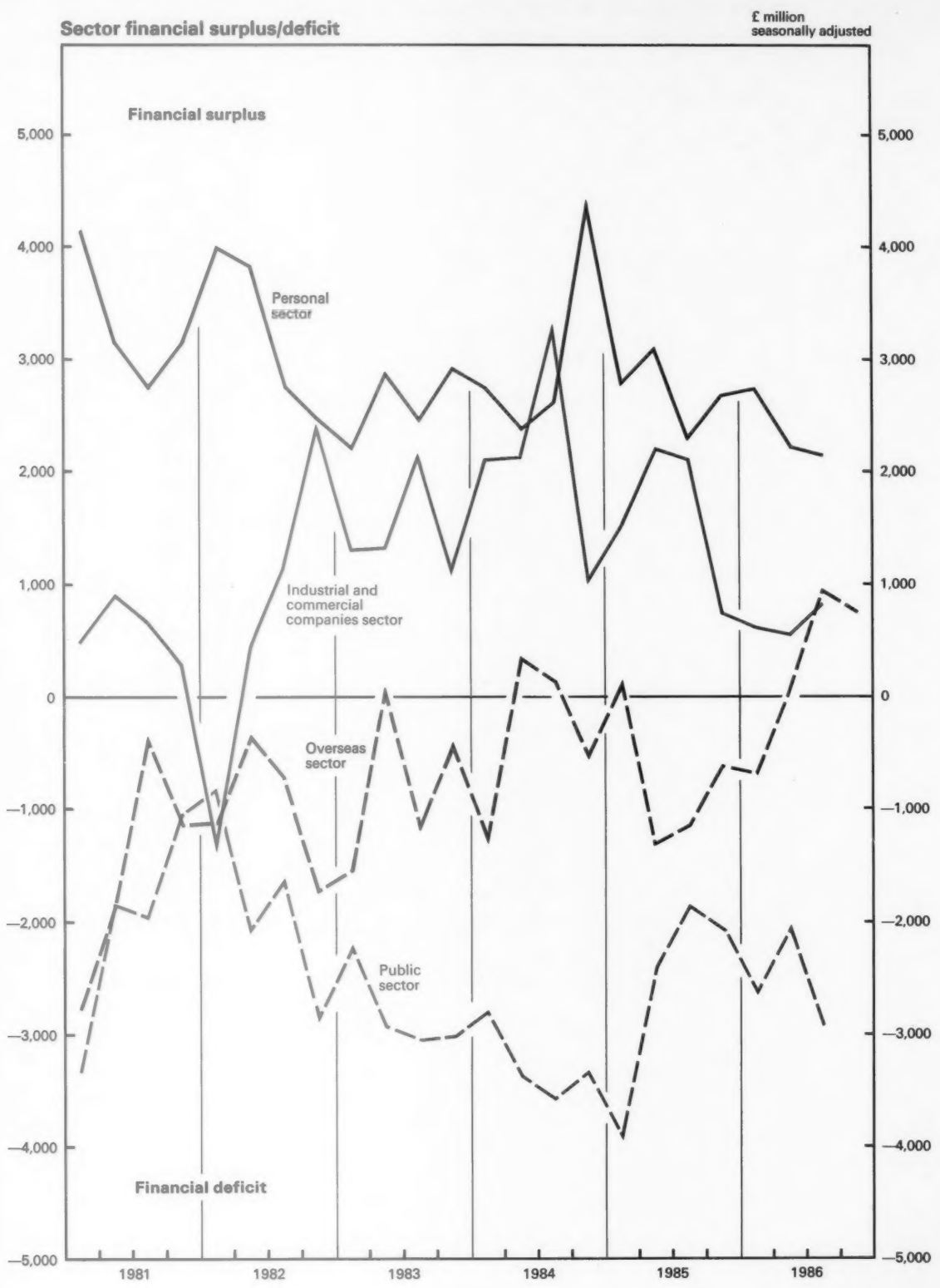
## Summary capital accounts and financial surplus or deficit: analysis by sector

£ million, seasonally adjusted

| | | Public sector(1) | | | Financial companies and institutions | | | Industrial and commercial companies | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Saving(2) | Capital transfers (net receipts) | Gross domestic capital formation(3) | Saving(2) | Capital transfers (net receipts) | Gross domestic capital formation(3) | Savings(2) | Capital transfers (net receipts) | Gross domestic capital formation(3) |
| | | ABKJ | ABKK | ABKL | AAUM | AAUN | GGCX | AAAQ | AAUR | GGCW |
| 1981 | | 3 949 | -476 | 11 654 | 3 541 | -407 | 5 447 | 19 182 | 648 | 17 467 |
| 1982 | | 5 650 | -910 | 12 136 | 3 754 | -291 | 5 965 | 19 326 | 633 | 17 346 |
| 1983 | | 4 660 | -1 545 | 14 279 | 4 739 | -232 | 5 243 | 25 439 | 484 | 20 033 |
| 1984 | | 2 235 | -1 701 | 13 590 | 5 891 | -217 | 6 877 | 32 523 | 346 | 24 318 |
| 1985 | | 3 513 | -630 | 13 094 | 7 336 | -355 | 7 889 | 32 295 | 390 | 26 106 |
| 1982 | 2 | 1 020 | -141 | 2 953 | 884 | -85 | 1 542 | 4 903 | 102 | 4 563 |
| | 3 | 1 580 | -181 | 3 019 | 1 168 | -60 | 1 600 | 5 011 | 89 | 3 970 |
| | 4 | 765 | -363 | 3 263 | 1 021 | -50 | 1 381 | 6 026 | 239 | 3 849 |
| 1983 | 1 | 1 808 | -344 | 3 666 | 1 227 | -53 | 1 390 | 5 761 | 194 | 4 648 |
| | 2 | 880 | -315 | 3 484 | 1 181 | -67 | 1 280 | 5 721 | 123 | 4 527 |
| | 3 | 984 | -395 | 3 622 | 1 173 | -56 | 1 248 | 7 350 | 79 | 5 276 |
| | 4 | 988 | -491 | 3 507 | 1 158 | -56 | 1 325 | 6 607 | 88 | 5 582 |
| 1984 | 1 | 1 082 | -534 | 3 341 | 1 206 | -36 | 1 446 | 7 720 | 78 | 5 694 |
| | 2 | 302 | -447 | 3 230 | 1 429 | -63 | 1 698 | 7 876 | 96 | 5 844 |
| | 3 | 391 | -385 | 3 568 | 1 487 | -60 | 1 836 | 8 961 | 98 | 5 767 |
| | 4 | 460 | -335 | 3 451 | 1 769 | -56 | 1 897 | 7 966 | 74 | 7 013 |
| 1985 | 1 | -272 | -262 | 3 380 | 2 035 | -72 | 2 503 | 8 413 | 120 | 7 005 |
| | 2 | 964 | -175 | 3 188 | 1 592 | -95 | 1 581 | 8 405 | 58 | 6 258 |
| | 3 | 1 758 | -167 | 3 440 | 1 792 | -93 | 1 900 | 8 223 | 106 | 6 223 |
| | 4 | 1 063 | -26 | 3 086 | 1 917 | -95 | 1 905 | 7 254 | 106 | 6 620 |
| 1986 | 1 | 899 | -110 | 3 421 | 2 174 | -81 | 1 961 | 6 997 | 98 | 6 493 |
| | 2 | 1 194 | -54 | 3 161 | 2 013 | -122 | 1 770 | 6 563 | 146 | 6 154 |
| | 3 | 415 | -118 | 3 198 | 1 847 | -123 | 1 846 | 7 549 | 173 | 6 900 |

| | | Personal sector | | | Financial Surplus Deficit(4) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Saving(2) | Capital transfers (net receipts) | Gross domestic capital formation(3) | Public sector | Financial companies and institutions | Industrial and commercial companies | Personal sector | Overseas sector(5) | Balancing item(6) |
| | | AAUU | AAUV | GGCV | AAVE | AAVF | AAVG | AAVH | AAVI | AAVJ |
| 1981 | | 23 259 | 235 | 10 318 | -8 181 | -2 313 | 2 363 | 13 176 | -6 159 | 1 114 |
| 1982 | | 24 787 | 568 | 12 300 | -7 396 | -2 502 | 2 613 | 13 055 | -3 937 | -1 833 |
| 1983 | | 24 017 | 1 293 | 14 898 | -11 164 | -736 | 5 890 | 10 412 | -3 133 | -1 269 |
| 1984 | | 26 422 | 1 572 | 15 869 | -13 056 | -1 203 | 8 551 | 12 125 | -1 211 | -5 206 |
| 1985 | | 27 232 | 595 | 16 958 | -10 211 | -908 | 6 579 | 10 869 | -3 549 | -2 780 |
| 1982 | 2 | 6 709 | 104 | 2 998 | -2 074 | -723 | 442 | 3 815 | -362 | -1 098 |
| | 3 | 5 635 | 152 | 3 010 | -1 620 | -492 | 1 130 | 2 777 | -712 | -1 083 |
| | 4 | 5 759 | 174 | 3 485 | -2 863 | -410 | 2 416 | 2 468 | -1 736 | 125 |
| 1983 | 1 | 5 498 | 203 | 3 509 | -2 202 | -218 | 1 307 | 2 190 | -1 575 | 497 |
| | 2 | 6 321 | 259 | 3 708 | -2 919 | -166 | 1 317 | 2 872 | 82 | -1 166 |
| | 3 | 5 880 | 372 | 3 809 | -3 033 | -131 | 2 153 | 2 423 | -1 176 | -238 |
| | 4 | 6 340 | 459 | 3 872 | -3 010 | -223 | 1 113 | 2 927 | -443 | -364 |
| 1984 | 1 | 6 186 | 494 | 3 926 | -2 793 | -278 | 2 104 | 2 754 | -1 198 | -589 |
| | 2 | 5 898 | 414 | 3 941 | -3 375 | -332 | 2 128 | 2 371 | 319 | -1 111 |
| | 3 | 6 303 | 347 | 4 042 | -3 562 | -409 | 3 292 | 2 608 | 92 | -2 021 |
| | 4 | 8 035 | 317 | 3 960 | -3 326 | -184 | 1 027 | 4 392 | -424 | -1 485 |
| 1985 | 1 | 6 693 | 214 | 4 126 | -3 914 | -540 | 1 528 | 2 781 | 17 | 128 |
| | 2 | 7 113 | 212 | 4 223 | -2 399 | -84 | 2 205 | 3 102 | -1 518 | -1 306 |
| | 3 | 6 322 | 154 | 4 179 | -1 849 | -201 | 2 106 | 2 297 | -1 445 | -908 |
| | 4 | 7 104 | 15 | 4 430 | -2 049 | -83 | 740 | 2 689 | -603 | -694 |
| 1986 | 1 | 7 059 | 93 | 4 400 | -2 632 | 132 | 602 | 2 752 | -549 | -305 |
| | 2 | 6 758 | 30 | 4 571 | -2 021 | 121 | 555 | 2 217 | -275 | -597 |
| | 3 | 7 019 | 68 | 4 947 | -2 901 | -122 | 822 | 2 140 | 781 | -720 |

1 Excluding financial transactions in writing-off debt.
2 Before providing for depreciation stock appreciation and addition to reserves.
3 Comprises gross domestic fixed capital formation and increase in value of stocks and work in progress.
4 This balance is equal to saving plus capital transfers less gross domestic fixed capital formation, less increase in value of stocks and work in progress.
5 Equals, apart from the change in sign, the current balance of payments accounts, plus capital transfers.
6 For periods when the sector current and capital accounts are fully articulated it is equal to the residual error in the national accounts.


Sector financial surplus/deficit
£ million
seasonally adjusted
Financial surplus
5,000
4,000
3,000
2,000
1,000
0
—1,000
—2,000
—3,000
—4,000
—5,000
Personal sector
Industrial and commercial companies sector
Overseas sector
Public sector
Financial deficit
1981
1982
1983
1984
1985
1986

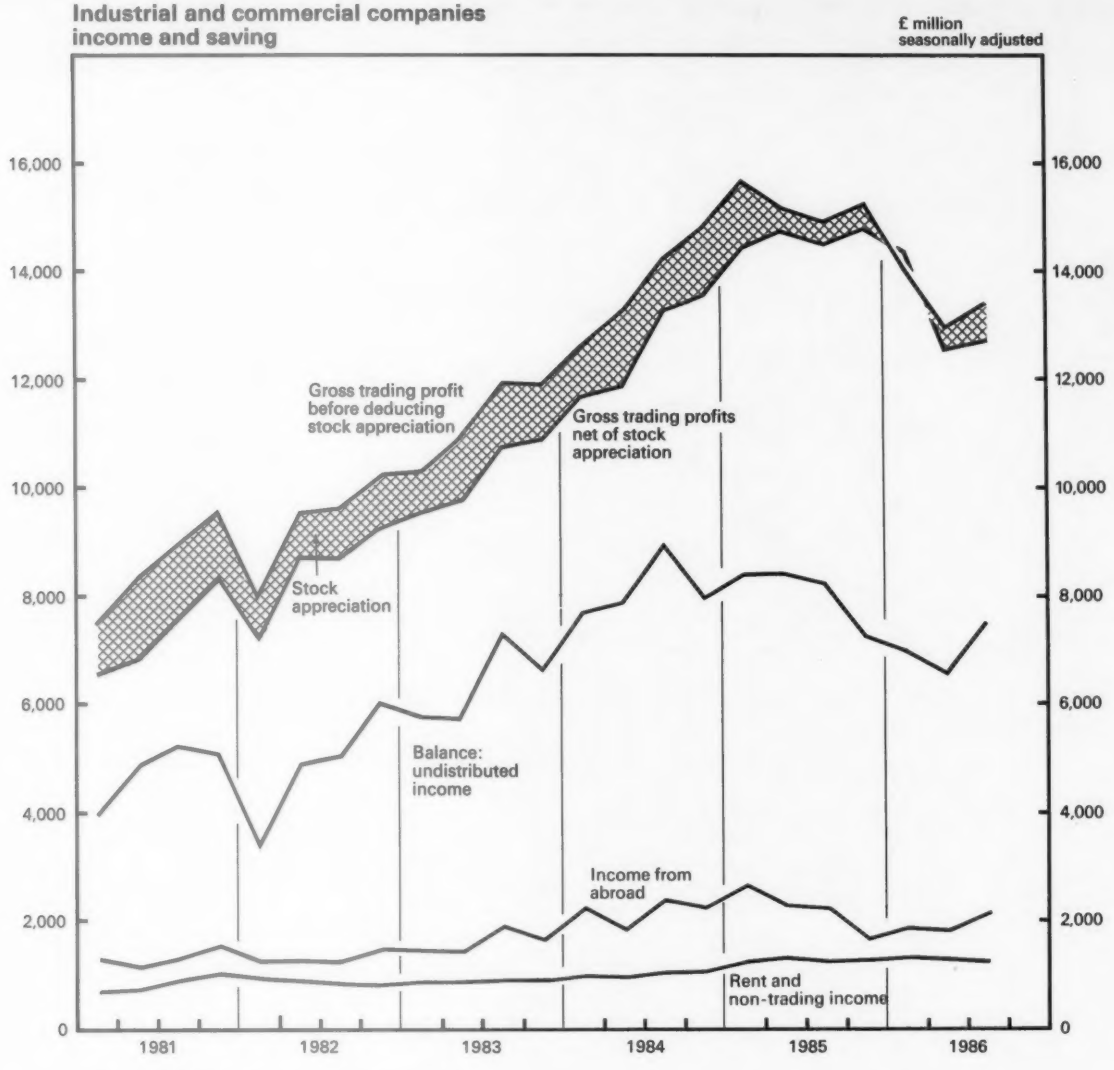
## Appropriation account of industrial and commercial companies(1)

£ million, seasonally adjusted

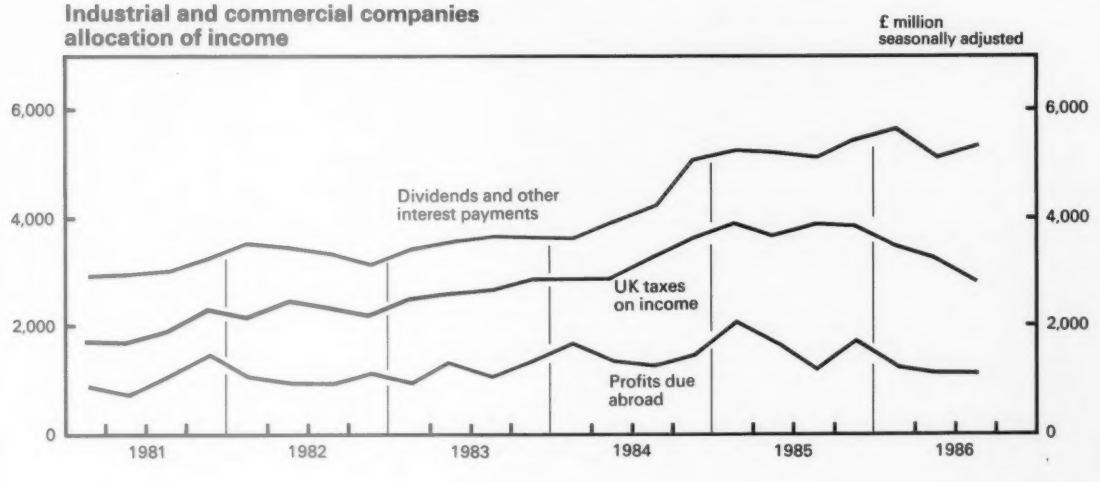
| | | Income | | | | | | | | Allocation of income | | | | Balance | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Income arising in the United Kingdom | | | | | | | Dividends, interest and other transfer payments | | | | | |
| | | | Gross trading profits | | | | | | | | | | | | |
| | | | Net of stock appreciation | | | | | | | | | | | | |
| | | Total income | Total(2) | N. Sea oil companies | Other companies | Stock appreciation | Before deducting stock appreciation | Rent and non-trading income | Income from abroad (net of taxes paid abroad) | Dividends on ordinary shares(3) | Other (3,4) | Profits due abroad (net of UK tax) | UK taxes on income: payments (5) | Undistributed income (6) | Undistributed income adjusted for unremitted profits (6,7) |
| | | AIAN | AIAO | CIDT | CIDU | AIAP | AIAQ | AIAR | AIAS | AIAU | AIAV | AIAW | AIAY | AAUQ | AIAZ |
| 1976 | | 20 898 | 10 993 | 527 | 10 466 | 5 587 | 16 580 | 1 662 | 2 656 | 1 542 | 3 742 | 724 | 1 500 | 13 390 | 12 263 |
| 1977 | | 26 050 | 17 712 | 1 971 | 15 741 | 4 118 | 21 830 | 1 638 | 2 582 | 1 715 | 3 895 | 1 729 | 2 496 | 16 215 | 16 280 |
| 1978 | | 29 650 | 21 299 | 2 614 | 18 685 | 3 443 | 24 742 | 1 924 | 2 984 | 1 904 | 4 315 | 1 980 | 3 246 | 18 205 | 18 167 |
| 1979 | | 40 074 | 24 380 | 5 255 | 19 125 | 7 411 | 31 791 | 2 619 | 5 664 | 3 317 | 6 383 | 3 711 | 4 245 | 22 418 | 23 367 |
| 1980 | | 40 520 | 26 773 | 8 056 | 18 717 | 5 544 | 32 317 | 3 231 | 4 972 | 3 146 | 9 172 | 4 424 | 5 808 | 17 970 | 18 729 |
| 1981 | | 43 318 | 29 375 | 10 864 | 18 511 | 5 036 | 34 411 | 3 479 | 5 428 | 3 188 | 9 084 | 4 182 | 7 682 | 19 182 | 18 902 |
| 1982 | | 46 154 | 33 889 | 12 720 | 21 169 | 3 467 | 37 356 | 3 632 | 5 166 | 3 590 | 10 033 | 4 041 | 9 164 | 19 326 | 18 824 |
| 1983 | | 55 243 | 40 975 | 15 673 | 25 302 | 4 093 | 45 068 | 3 700 | 6 475 | 4 355 | 10 025 | 4 743 | 10 681 | 25 439 | 24 578 |
| 1984 | | 67 740 | 50 342 | 19 019 | 31 323 | 4 533 | 54 875 | 4 176 | 8 689 | 5 302 | 11 605 | 5 719 | 12 591 | 32 523 | 30 263 |
| 1985 | | 75 229 | 58 544 | 18 384 | 40 180 | 2 575 | 61 119 | 5 152 | 8 958 | 6 897 | 14 128 | 6 625 | 15 284 | 32 295 | 32 247 |
| 1978 | 4 | 7 591 | 5 197 | 767 | 4 430 | 1 016 | 6 213 | 584 | 814 | 431 | 1 275 | 584 | 925 | 4 376 | 4 332 |
| 1979 | 1 | 8 698 | 5 321 | 943 | 4 378 | 1 524 | 6 845 | 595 | 1 258 | 527 | 1 414 | 709 | 984 | 5 084 | 4 931 |
| | 2 | 10 002 | 6 154 | 1 194 | 4 960 | 1 959 | 8 113 | 617 | 1 272 | 592 | 1 436 | 971 | 1 145 | 5 858 | 6 349 |
| | 3 | 10 582 | 6 386 | 1 527 | 4 859 | 1 941 | 8 327 | 672 | 1 583 | 763 | 1 650 | 1 002 | 1 103 | 6 064 | 6 378 |
| | 4 | 10 792 | 6 519 | 1 591 | 4 928 | 1 987 | 8 506 | 735 | 1 551 | 1 435 | 1 883 | 1 029 | 1 033 | 5 412 | 5 709 |
| 1980 | 1 | 11 394 | 6 898 | 1 930 | 4 968 | 2 225 | 9 123 | 801 | 1 470 | 810 | 2 231 | 1 227 | 1 500 | 5 626 | 6 070 |
| | 2 | 10 531 | 7 130 | 1 957 | 5 173 | 1 316 | 8 446 | 796 | 1 289 | 666 | 2 279 | 1 273 | 1 103 | 5 210 | 5 352 |
| | 3 | 9 153 | 6 190 | 1 995 | 4 195 | 1 146 | 7 336 | 799 | 1 018 | 848 | 2 248 | 909 | 1 512 | 3 636 | 3 793 |
| | 4 | 9 442 | 6 555 | 2 174 | 4 381 | 857 | 7 412 | 835 | 1 195 | 822 | 2 414 | 1 015 | 1 693 | 3 498 | 3 514 |
| 1981 | 1 | 9 566 | 6 585 | 2 440 | 4 145 | 932 | 7 517 | 732 | 1 317 | 804 | 2 181 | 902 | 1 705 | 3 994 | 3 871 |
| | 2 | 10 320 | 6 834 | 2 683 | 4 151 | 1 528 | 8 362 | 767 | 1 191 | 851 | 2 147 | 761 | 1 686 | 4 875 | 4 635 |
| | 3 | 11 233 | 7 610 | 2 824 | 4 786 | 1 341 | 8 951 | 941 | 1 341 | 827 | 2 198 | 1 064 | 1 919 | 5 225 | 5 227 |
| | 4 | 12 199 | 8 346 | 2 917 | 5 429 | 1 235 | 9 581 | 1 039 | 1 579 | 706 | 2 578 | 1 455 | 2 372 | 5 088 | 5 169 |
| 1982 | 1 | 10 160 | 7 187 | 2 679 | 4 508 | 774 | 7 961 | 989 | 1 230 | 1 054 | 2 525 | 1 020 | 2 175 | 3 386 | 3 275 |
| | 2 | 11 754 | 8 736 | 3 001 | 5 735 | 820 | 9 556 | 961 | 1 237 | 891 | 2 586 | 953 | 2 421 | 4 903 | 4 953 |
| | 3 | 11 720 | 8 725 | 3 456 | 5 269 | 901 | 9 626 | 871 | 1 223 | 927 | 2 471 | 943 | 2 368 | 5 011 | 5 129 |
| | 4 | 12 520 | 9 241 | 3 584 | 5 657 | 972 | 10 213 | 831 | 1 476 | 718 | 2 451 | 1 125 | 2 200 | 6 026 | 5 467 |
| 1983 | 1 | 12 687 | 9 538 | 3 688 | 5 850 | 766 | 10 304 | 902 | 1 481 | 868 | 2 589 | 946 | 2 523 | 5 781 | 5 852 |
| | 2 | 13 270 | 9 764 | 3 648 | 6 116 | 1 170 | 10 934 | 905 | 1 431 | 1 131 | 2 473 | 1 343 | 2 602 | 5 721 | 5 846 |
| | 3 | 14 797 | 10 782 | 4 118 | 6 664 | 1 150 | 11 932 | 943 | 1 922 | 1 227 | 2 444 | 1 083 | 2 693 | 7 350 | 7 295 |
| | 4 | 14 489 | 10 891 | 4 219 | 6 672 | 1 007 | 11 898 | 950 | 1 641 | 1 129 | 2 519 | 1 371 | 2 863 | 6 807 | 5 585 |
| 1984 | 1 | 15 859 | 11 682 | 4 306 | 7 376 | 980 | 12 642 | 1 002 | 2 215 | 1 075 | 2 544 | 1 659 | 2 861 | 7 720 | 7 641 |
| | 2 | 16 054 | 11 871 | 4 593 | 7 278 | 1 366 | 13 237 | 992 | 1 825 | 1 238 | 2 707 | 1 364 | 2 869 | 7 876 | 7 395 |
| | 3 | 17 699 | 13 255 | 4 837 | 8 418 | 941 | 14 196 | 1 085 | 2 418 | 1 088 | 3 145 | 1 260 | 3 245 | 8 961 | 8 455 |
| | 4 | 18 128 | 13 534 | 5 283 | 8 251 | 1 268 | 14 800 | 1 097 | 2 231 | 1 901 | 3 209 | 1 436 | 3 616 | 7 988 | 6 772 |
| 1985 | 1 | 19 660 | 14 [illegible]2 | 5 231 | 9 191 | 1 238 | 15 690 | 1 276 | 2 694 | 1 554 | 3 688 | 2 079 | 3 926 | 8 413 | 8 333 |
| | 2 | 18 845 | 14 784 | 4 860 | 9 924 | 406 | 15 190 | 1 337 | 2 318 | 1 611 | 3 585 | 1 603 | 3 641 | 8 405 | 7 954 |
| | 3 | 18 454 | 14 498 | 4 017 | 10 481 | 446 | 14 944 | 1 251 | 2 259 | 1 802 | 3 323 | 1 230 | 3 876 | 8 223 | 8 102 |
| | 4 | 18 270 | 14 810 | 4 226 | 10 584 | 485 | 15 295 | 1 288 | 1 687 | 1 930 | 3 532 | 1 713 | 3 841 | 7 254 | 7 858 |
| 1986 | 1 | 17 310 | 14 359 | 3 171 | 11 188 | -277 | 14 082 | 1 354 | 1 874 | 2 329 | 3 311 | 1 210 | 3 463 | 6 997 | 6 759 |
| | 2 | 16 095 | 12 588 | 1 566 | 11 022 | 388 | 12 976 | 1 305 | 1 814 | 2 154 | 2 990 | 1 118 | 3 270 | 6 563 | 6 329 |
| | 3 | 16 857 | 12 752 | 1 519 | 11 233 | 857 | 13 409 | 1 284 | 2 184 | 2 259 | 3 085 | 1 105 | 2 829 | 7 549 | 7 138 |

1 Figures reflect inclusion of British Telecom with effect from its privatisation on 28 November 1984.
2 Before providing for depreciation.
3 Dividend payments on ordinary and preference shares are net of tax;the advance corporation tax in respect of those dividends is included in UK taxes on income. Excludes dividend and debenture interest paid by UK subsidiaries to their overseas parents.
4 Including royalties and licence fees on oil and gas production.
5 Mainly payments of corporation tax (including advance corporation tax)and petroleum revenue tax.
6 Before providing for depreciation, stock appreciation and additions to reserves.
7 Excludes profits retained abroad by overseas subsidiaries of UK companies. Includes profits retained in the United Kingdom by subsidiaries of overseas companies.

## Industrial and commercial companies income and saving




## Industrial and commercial companies allocation of income



## Capital account and financial surplus/deficit of industrial and commercial companies(1)

£ million, seasonally adjusted

| | | Receipts | | | | | Expenditure | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Total receipts(2) | Undistributed income | Stock appreciation | Undistributed income less stock appreciation | Capital transfers | Total expenditure | Gross domestic fixed capital formation | Value of physical increase in stocks and work in progress | Taxes on capital and other capital transfers | Balance: Financial surplus or deficit |
| | | FMBA | AAUQ | AIAP | FMBC | CIDZ | FMBF | AAUS | FMBG | FMBH | AAVG |
| 1982 | | 16 537 | 19 326 | 3 467 | 15 859 | 678 | 13 924 | 15 559 | -1 680 | 45 | 2 613 |
| 1983 | | 22 010 | 25 439 | 4 093 | 21 346 | 664 | 16 120 | 15 809 | 131 | 180 | 5 890 |
| 1984 | | 28 534 | 32 523 | 4 533 | 27 990 | 544 | 19 983 | 19 473 | 312 | 198 | 8 551 |
| 1985 | | 30 278 | 32 295 | 2 575 | 29 720 | 558 | 23 699 | 23 509 | 22 | 168 | 6 579 |
| 1982 | 4 | 5 329 | 6 026 | 972 | 5 054 | 275 | 2 913 | 3 919 | -1 042 | 36 | 2 416 |
| 1983 | 1 | 5 225 | 5 761 | 766 | 4 995 | 230 | 3 918 | 3 820 | 62 | 36 | 1 307 |
| | 2 | 4 716 | 5 721 | 1 170 | 4 551 | 165 | 3 399 | 3 823 | -466 | 42 | 1 317 |
| | 3 | 6 330 | 7 350 | 1 150 | 6 200 | 130 | 4 177 | 3 905 | 221 | 51 | 2 153 |
| | 4 | 5 739 | 6 607 | 1 007 | 5 600 | 139 | 4 626 | 4 261 | 314 | 51 | 1 113 |
| 1984 | 1 | 6 853 | 7 720 | 960 | 6 760 | 133 | 4 789 | 4 446 | 288 | 55 | 2 104 |
| | 2 | 6 650 | 7 876 | 1 366 | 6 510 | 140 | 4 522 | 4 784 | -306 | 44 | 2 128 |
| | 3 | 8 168 | 8 961 | 941 | 8 020 | 148 | 4 876 | 4 924 | -98 | 50 | 3 292 |
| | 4 | 6 823 | 7 966 | 1 266 | 6 700 | 123 | 5 796 | 5 319 | 428 | 49 | 1 027 |
| 1985 | 1 | 7 344 | 8 413 | 1 238 | 7 175 | 169 | 5 816 | 5 956 | -199 | 49 | 1 528 |
| | 2 | 8 096 | 8 405 | 406 | 7 999 | 97 | 5 891 | 5 592 | 260 | 39 | 2 205 |
| | 3 | 7 923 | 8 223 | 446 | 7 777 | 146 | 5 817 | 5 850 | -203 | 40 | 2 106 |
| | 4 | 6 915 | 7 254 | 485 | 6 769 | 146 | 6 175 | 5 971 | 164 | 40 | 740 |
| 1986 | 1 | 7 413 | 6 997 | -277 | 7 274 | 139 | 6 811 | 6 308 | 462 | 41 | 602 |
| | 2 | 6 365 | 6 563 | 368 | 6 175 | 190 | 5 810 | 6 060 | -294 | 44 | 555 |
| | 3 | 7 108 | 7 549 | 657 | 6 892 | 216 | 6 286 | 6 340 | -97 | 43 | 822 |

1 Figures reflect inclusion of British Telecom with effect from its privatisation on 28 November 1984.
2 After deducting stock appreciation but before providing for depreciation.

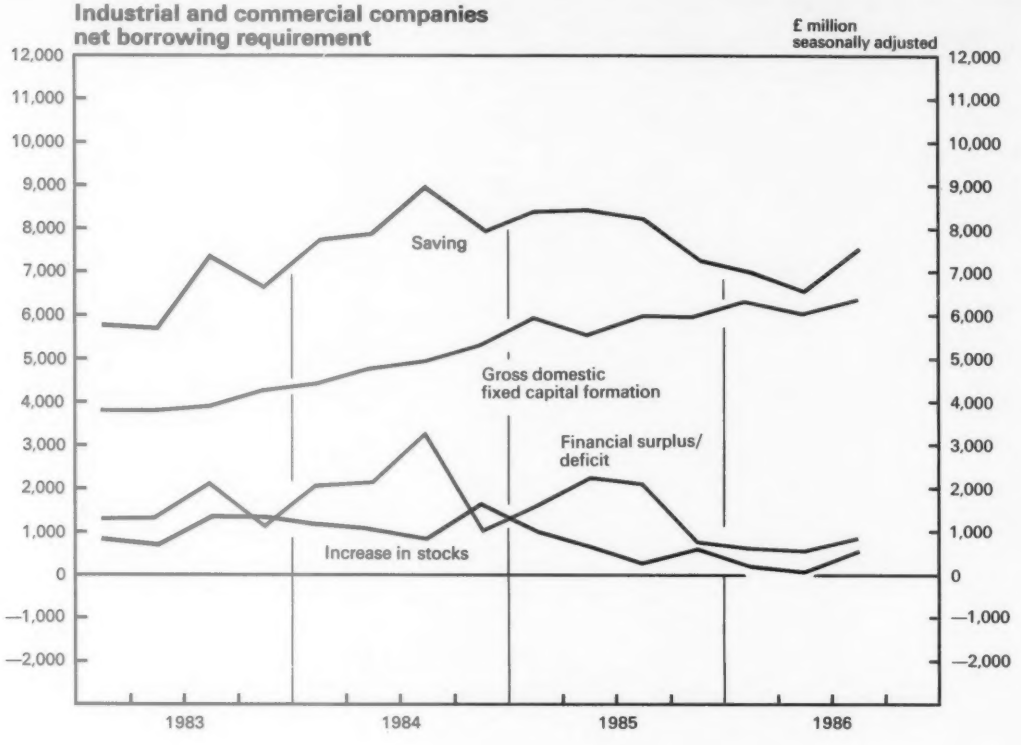
## Financial transactions including net borrowing requirement of industrial and commercial companies (1)

£ million, seasonally adjusted

| | | Transactions leading to net borrowing requirement | | | | | Financing of net borrowing requirement(5) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Financial surplus or deficit | Net unremitted profits(2) | Net identified trade and other credit(3) | Investment in UK company securities(4) | Investment abroad | Balancing item | Borrowing from | | Financial assets | | Net borrowing requirement (NBR) |
| | | | | | | | | Banks(6) | Other | Liquid | Other | |
| | | AAVG | AICX | ABKP | FMBQ | AIDC | AIDD | AIDF | AIDJ | AIDG | AICV | AIDI |
| 1982 | | 2 613 | -502 | -1 139 | -1 676 | -3 021 | -1 788 | 6 563 | 3 248 | -2 807 | -1 491 | 5 513 |
| 1983 | | 5 890 | -881 | 323 | -1 381 | -3 376 | 483† | 1 618 | 4 971† | -5 861 | -1 806 | -1 078† |
| 1984 | | 8 551 | -2 280 | -142 | -3 878 | -1 562 | -3 304 | 7 075 | -367 | -2 255 | -1 858† | 2 595 |
| 1985 | | 6 579 | -48 | -385† | -4 625 | -2 791† | -3 632 | 7 421 | 3 315 | -5 060 | -774 | 4 902 |
| 1982 | 4 | 2 416 | -559 | -529 | -374 | -794 | 311 | 529 | 765 | -781 | -984 | -471 |
| 1983 | 1 | 1 307 | 91 | 1 519 | -228 | -1 441 | 173 | -1 376 | 880 | -825 | -300 | -1 421 |
| | 2 | 1 317 | 125 | -741 | -525 | -183 | -747 | 627 | 1 300 | -819 | -354 | 754 |
| | 3 | 2 153 | -55 | -575 | -323 | -854 | -2 213† | 1 776 | 1 444† | -1 182 | -171 | 1 867† |
| | 4 | 1 113 | -1 022 | 120 | -305 | -898 | 3 289 | 591 | 1 347 | -3 254 | -981 | -2 297 |
| 1984 | 1 | 2 104 | -79 | 879 | -1 330 | -831 | -1 225 | 873 | 378 | -822 | 53† | 482 |
| | 2 | 2 128 | -481 | -368 | -813 | -23 | 158 | 1 063 | -2 735 | 1 383 | -312 | -801 |
| | 3 | 3 292 | -506 | -330 | -475 | -433 | -2 408 | 1 466 | 1 339 | -1 029 | -918 | 858 |
| | 4 | 1 027 | -1 194 | -313 | -1 260 | -275 | -133 | 3 673 | 651 | -1 495 | -681 | 2 148 |
| 1985 | 1 | 1 528 | -80 | 678† | -1 229 | -1 574 | -503 | 1 657 | 2 019 | -1 788 | -708 | 1 180 |
| | 2 | 2 205 | -451 | -380 | -1 410 | -424 | -2 567 | 1 603 | 833 | -465 | 1 056 | 3 027 |
| | 3 | 2 106 | -121 | 57 | -1 093 | -439 | 184 | 2 150 | 772 | -1 831 | -1 785 | -694 |
| | 4 | 740 | 604 | -754 | -893 | -354† | -746 | 2 011 | -309 | -962 | 663 | 1 403 |
| 1986 | 1 | 602 | -238 | 1 340 | -746 | 337 | -1 415 | 502 | 2 420 | -2 165 | -637 | 120 |
| | 2 | 555 | -234 | -883 | -1 100 | -403 | 2 927 | -1 005 | 3 513 | -4 126 | 756 | -862 |
| | 3 | 822 | -411 | -883 | -1 019 | -2 350 | 4 858 | 1 037† | 2 382 | -5 348† | | |

1 Inflows(+), outflows(-); Relationships between columns: 1+2+3+4+5+6+7+8+9+10 = zero; 7+8+9+10 = 11
2 Retained in UK (+), retained abroad (-).
3 Includes accruals adjustment.
4 Cash expenditure on subsidiaries and trade investments in the United Kingdom.
5 The NBR seasonal adjustments include day-of-week adjustments. The quarterly figures therefore do not always sum to the annual totals.
6 Includes Bank of England Issue Department transactions in commercial bills.

**Industrial and commercial companies net borrowing requirement**



## UK banks' lending to UK residents(1)

| | £ million, seasonally adjusted(2) | | | | | |
|---|---|---|---|---|---|---|
| | Lending to public sector | | | Lending to private sector | | |
| | Total | Sterling | Other currencies | Total | Sterling | Other currencies |
| Transactions | FPAA | AEBT | AECC | FPAD | AECI | AECO |
| 1982 | -2 309 | -2 257 | -52 | 14 791 | 13 055 | 1 736 |
| 1983 | -1 905 | -2 020 | 115 | 15 046 | 13 628 | 1 418 |
| 1984 | 881 | 590 | 291 | 18 384 | 13 479 | 4 905 |
| 1985 | -1 688 | -2 092 | 404 | 24 579 | 19 839† | 4 740 |
| 1986 | -562 | -594† | 32† | 37 380 | 29 125 | 8 255† |
| 1981 4 | -1 340 | -1 444 | 104 | 3 855 | 2 888 | 967 |
| 1982 1 | 1 421 | 1 409 | 12 | 2 064 | 1 423 | 641 |
| 2 | -1 116 | -1 112 | -4 | 4 968 | 4 590 | 378 |
| 3 | -396 | -407† | 11 | 3 282 | 3 060 | 222 |
| 4 | -2 218 | -2 147 | -71 | 4 477 | 3 982 | 495 |
| 1983 1 | 1 143 | 1 143 | - | 2 839 | 3 054 | -215 |
| 2 | -1 872 | -1 852 | -20 | 5 338 | 4 793 | 545 |
| 3 | -1 077 | -1 027 | -50 | 3 603 | 2 407 | 1 196 |
| 4 | -99 | -284 | 185 | 3 266 | 3 374 | -108 |
| 1984 1 | 1 678 | 1 714 | -36 | 2 507 | 1 405 | 1 102 |
| 2 | -2 368 | -2 411 | 43 | 6 579 | 5 771 | 808 |
| 3 | 1 116 | 1 001 | 115 | 2 973 | 1 926 | 1 047 |
| 4 | 455 | 286 | 169 | 6 325 | 4 377 | 1 948 |
| 1985 1 | -3 138 | -3 227 | 89 | 12 013 | 8 788 | 3 225 |
| 2 | -1 342 | -1 377 | 35 | 6 477 | 5 095 | 1 382 |
| 3 | 1 582 | 1 560 | 22 | 3 308 | 4 114† | -806 |
| 4 | 1 210 | 952 | 258 | 2 781 | 1 842 | 939 |
| 1986 1 | 1 619 | 1 618 | 1 | 10 839 | 8 486 | 2 353 |
| 2 | -1 307 | -1 238 | -69 | 9 540 | 7 958 | 1 582† |
| 3 | -148 | -348 | 200† | 11 110 | 7 418 | 3 692 |
| 4 | -726 | -626 | -100 | 5 891 | 5 263 | 628 |

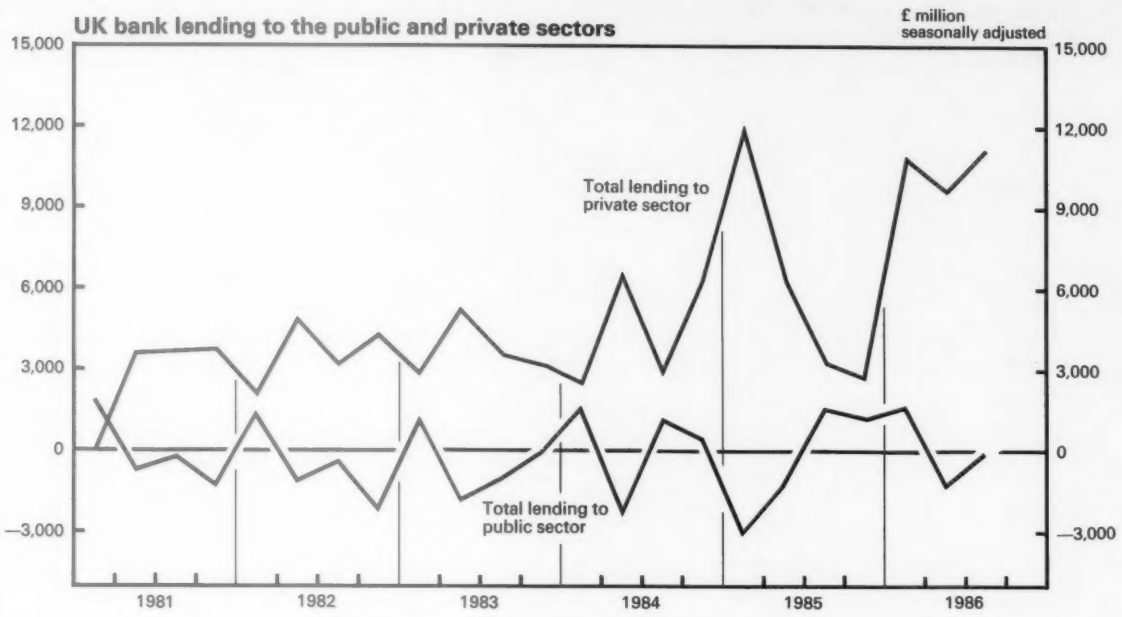
1 Seasonally adjusted data is shown on a calendar year basis whereas data for pages 5,52 and 54 are on a financial year basis.
2 The seasonally adjusted quarterly figures do not necessarily add up to the (unadjusted) figures shown for the year as a whole. This is because, as well as allowing for purely seasonal factors, the adjustments attempt to remove other distortions (such as the effect of the particular days of the week on which a quarter begins and ends), which do not necessarily cancel out over a year.

## UK banks' loans, advances and acceptances to UK residents (1,2)

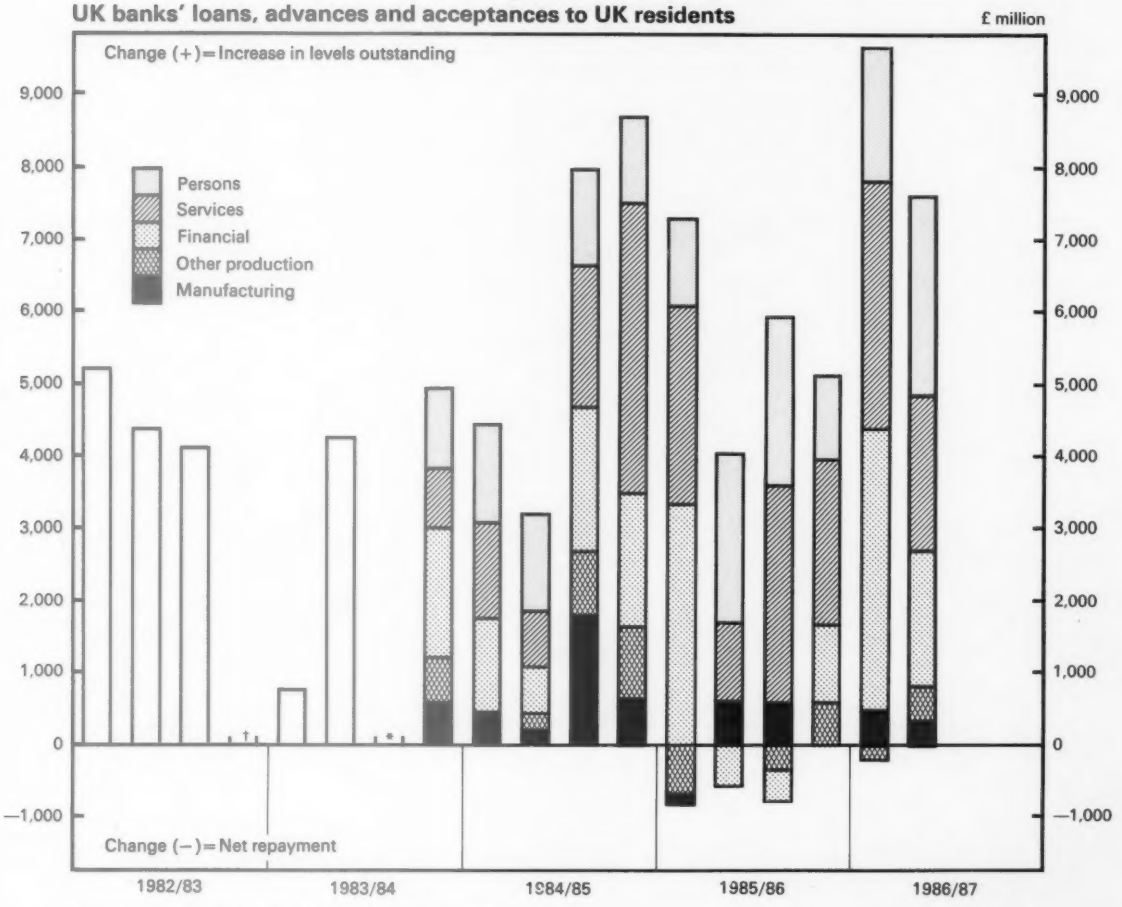
| | £ million | | | | | |
|---|---|---|---|---|---|---|
| | Total loans, advances and acceptances | Manufacturing | Other production | Financial | Services | Persons |
| Amounts outstanding (August 1986): | 189 598 | 27 075 | 12 003 | 39 444 | 58 980 | 46 536 |
| Changes | FRAA | FRAB | FRAC | FRAD | FRAE | FRAF |
| 1984 | | | | | | |
| May-Aug | 3 201 | 201 | 237 | 656 | 785 | 1 322 |
| Aug-Nov | 8 011 | 1 800 | 903 | 2 010 | 1 951 | 1 344 |
| Nov-Feb | 8 727 | 658 | 989 | 1 883 | 4 012 | 1 206 |
| 1985 | | | | | | |
| Feb-May | 6 478 | -155 | -677 | 3 362 | 2 733 | 1 215 |
| May-Aug | 3 485 | 644 | -3 | -579 | 1 077 | 2 344 |
| Aug-Nov | 5 178 | 603 | -334 | -454 | 3 018 | 2 352 |
| Nov-Feb | 5 029 | 26 | 582 | 960 | 2 205 | 1 259 |
| 1986 | | | | | | |
| Feb-May | 9 491 | 520 | -202 | 3 887 | 3 412 | 1 883 |
| May-Aug | 7 631 | 334 | 471 | 1 902 | 2 144 | 2 779 |

1 For a more detailed breakdown of these figures see Financial Statistics Table 6.6. The analysis covers loans, advances and acceptances in both sterling and foreign currencies provided by banks to their customers and therefore does not include funds placed through the local authority money market or funds lent to monetary sector institutions. Acceptances are not granted to persons.
2 Due to the introduction of the revised analysis in November 1983, a breakdown is given only for this and later dates and any changes for the August-November 1983 period are not shown.

## UK bank lending to the public and private sectors




## UK banks' loans, advances and acceptances to UK residents



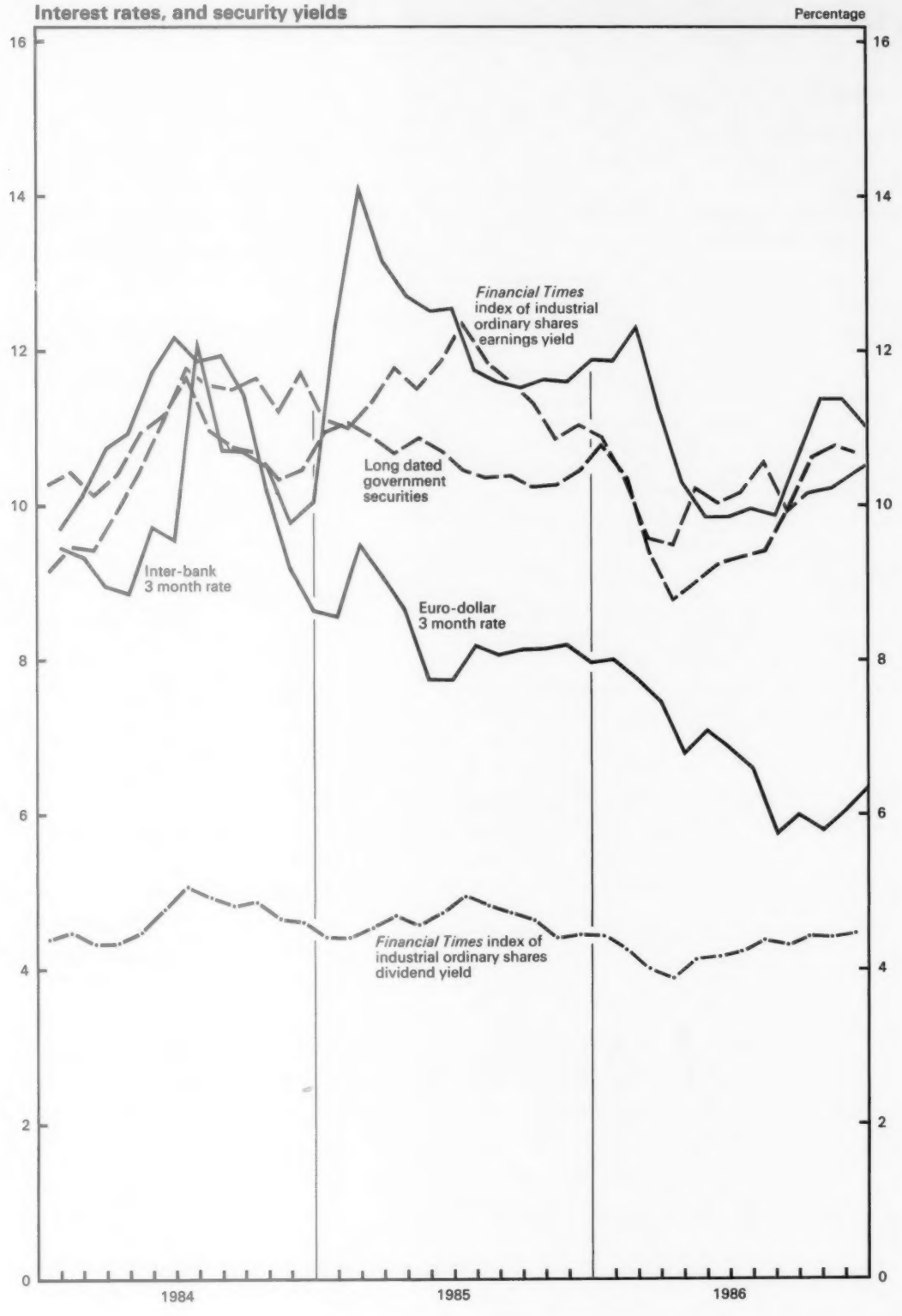

†Changes cannot be calculated for this period due to definition changes. November 1981 – February 1982 period cannot be calculated.
*See footnote [2] page 64 lower table.

## Interest rates, security prices and yields

Percentage rate

| | Last Friday | | | | | | Last working day | | Average of working days | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | London clearing banks | | | | | | | Financial Times index of industrial ordinary shares | | |
| | | | | | | | | | | 1 July 1935 = 100 | | |
| | Treasury bill yield(1) | Deposits with local authorities - 3 months (2) | Base rate | Deposit account: 7 days' notice(3) | Inter-bank - 3 month rate(4) | Sterling certificates of deposit - 3 months | Euro-dollar 3-month rate | Building Societies Association recommended rate on shares(5) | British government securities: long dated(6) - 20 years | Price index | Dividend yield | Earnings yield |
| 1978 | 11.91 | 12.38-12.5 | 12.5 | 10 | 12.44-12.63 | 12.38-12.5 | 11.69 | 8 | 12.47 | 479.4 | 5.85 | 16.47 |
| 1979 | 16.49 | 16.94-17.5 | 17 | 15 | 16.81-17.06 | 16.69-16.88 | 14.5 | 10.5 | 12.99 | 475.5 | 6.49 | 16.61 |
| 1980 | 13.58 | 14.63-14.88 | 14 | 11.5 -12 | 14.75-14.88 | 14.75-14.88 | 17.75 | 10.5 | 13.79 | 464.5 | 7.82 | 18.14 |
| 1981 | 15.39 | 15.5 -15.69 | 14.5 | 12.25-12.5 | 15.56-15.75 | 15.63-15.75 | 13.75 | 9.75 | 14.74 | 518.5 | 6.23 | 12.12 |
| 1982 | 9.96 | 10.63 | 10 -10.25 | 6.75- 7 | 10.44-10.63 | 10.19-10.31 | 9.25 | 8.25 | 12.88 | 574.7 | 5.29 | 10.82 |
| 1983 | 9.04 | 9.31 | 9 | 5.5 | 9.34- 9.41 | 9.25- 9.31 | 9.88 | 7.25 | 10.80 | 692.6 | 4.70 | 9.58 |
| 1984 | 9.33 | 10.13 | 9.5 - 9.75 | 6 - 6.5 | 10 -10.13 | 9.75- 9.88 | 8.62 | 6.75 | 10.69 | 854.9 | 4.66 | 10.76 |
| 1985 | 11.48 | 11.94 | 11.5 | 7.69-8.03 | 11.81-11.94 | 11.69-11.81 | 7.97 | 7 | 10.62 | 1004.6 | 4.81 | 11.48 |
| 1983 A | 9.56 | 9.94 | 9.5 | 6 | 9.81- 9.94 | 9.69- 9.81 | 10.25 | 7.25 | 11.07 | 724.4 | 4.62 | 9.27 |
| S | 9.17 | 9.69 | 9.5 | 6 | 9.56- 9.69 | 9.44- 9.56 | 9.56 | 7.25 | 10.67 | 704.3 | 4.81 | 9.59 |
| O | 9.03 | 9.31 | 9 | 5.5 | 9.31- 9.38 | 9.81- 9.25 | 9.63 | 7.25 | 10.61 | 693.5 | 4.87 | 9.67 |
| N | 9.06 | 9.25 | 9 | 5.5 | 9.31- 9.34 | 9.19- 9.25 | 9.81 | 7.25 | 10.29 | 724.8 | 4.69 | 9.50 |
| D | 9.04 | 9.31 | 9 | 5.5 | 9.34- 9.41 | 9.25- 9.31 | 9.88 | 7.25 | 10.35 | 759.5 | 4.62 | 9.47 |
| 1984 J | 9.06 | 9.38 | 9 | 5.5 | 9.44- 9.5 | 9.31- 9.38 | 9.69 | 7.25 | 10.28 | 810.6 | 4.41 | 9.16 |
| F | 9.05 | 9.31 | 9 | 5.5 | 9.31- 9.38 | 9.28- 9.34 | 10.13 | 7.25 | 10.42 | 814.6 | 4.50 | 9.48 |
| M | 8.56 | 8.94 | 8.5 - 8.75 | 5.25- 5.5 | 8.94- 9 | 8.84- 8.91 | 10.75 | 6.25 | 10.23 | 866.4 | 4.34 | 9.43 |
| A | 8.54 | 8.88 | 8.5 - 8.75 | 5.25- 5.5 | 8.84- 8.91 | 8.81- 8.88 | 10.97 | 6.25 | 10.40 | 881.1 | 4.36 | 9.93 |
| M | 9.19 | 9.75 | 9 - 9.25 | 5.75- 6 | 9.69- 9.75 | 9.69- 9.81 | 11.72 | 6.25 | 10.93 | 870.6 | 4.49 | 10.44 |
| J | 9.06 | 9.5 | 9.25 | 5.75- 6 | 9.5 - 9.63 | 9.31- 9.44 | 12.19 | 6.25 | 11.15 | 824.5 | 4.79 | 11.13 |
| J | 11.69 | 12.13 | 12 | 8.75- 9 | 12.06-12.19 | 11.88-12 | 11.88 | 6.25 | 11.67 | 787.6 | 5.08 | 11.80 |
| A | 10.18 | 10.75 | 10.5 | 7.25- 7.5 | 10.69-10.75 | 10.5 -10.63 | 11.94 | 7.75 | 10.98 | 835.8 | 4.93 | 11.57 |
| S | 10.24 | 10.75 | 10.5 | 7.25- 7.5 | 10.63-10.81 | 10.47-10.53 | 11.44 | 7.75 | 10.78 | 859.3 | 4.84 | 11.51 |
| O | 10.13 | 10.5 | 10.5 | 7.25- 7.5 | 10.5 -10.56 | 10.25-10.38 | 10.19 | 7.75 | 10.69 | 865.2 | 4.89 | 11.66 |
| N | 9.26 | 9.75 | 9.5 - 9.75 | 6 - 6.5 | 9.75- 9.81 | 9.56- 9.69 | 8.19 | 7.75 | 10.32 | 913.2 | 4.67 | 11.23 |
| D | 9.33 | 10.13 | 9.5 - 9.75 | 6 - 6.5 | 10 -10.13 | 9.75- 9.88 | 8.62 | 6.75 | 10.46 | 929.6 | 4.62 | 11.73 |
| 1985 J | 11.86 | 12.25 | 12 | 8.5 - 9 | 12.25-12.38 | 12.06-12.19 | 8.56 | 6.75 | 10.96 | 977.1 | 4.42 | 11.15 |
| F | 13.91 | 14.13 | 14 | 11 -11.5 | 14.06-14.19 | 13.81-13.84 | 9.5 | 7.5 | 11.07 | 979.3 | 4.41 | 11.01 |
| M | 12.75 | 13.13 | 13 -13.5 | 10 -10.5 | 13.06-13.25 | 13 -13.13 | 9.06 | 7.5 | 10.90 | 987.1 | 4.55 | 11.32 |
| A | 12.27 | 12.63 | 12.5 -12.75 | 9.38- 9.7 | 12.63-12.81 | 12.44-12.56 | 8.62 | 8.25 | 10.68 | 989.0 | 4.70 | 11.79 |
| M | 12.16 | 12.50 | 12.5 -12.75 | 9.38- 9.7 | 12.5 -12.56 | 12.31-12.44 | 7.75 | 8.25 | 10.88 | 1003.8 | 4.58 | 11.52 |
| J | 12.33 | 12.56 | 12.5 | 9.03- 9.5 | 12.56-12.69 | 12.44-12.56 | 7.75 | 8.25 | 10.70 | 980.4 | 4.72 | 11.83 |
| J | 11.30 | 11.88 | 12 | 8.38- 8.75 | 11.56-11.94 | 11.69-11.81 | 8.19 | 8.25 | 10.44 | 935.2 | 4.96 | 12.38 |
| A | 11.31 | 11.50 | 11.5 | 7.69- 8.03 | 11.5 -11.69 | 11.31-11.44 | 8.06 | 8.25 | 10.37 | 973.6 | 4.82 | 11.88 |
| S | 11.32 | 11.38 | 11.5 | 7.69- 8.03 | 11.5- 11.56 | 11.31-11.44 | 8.12 | 7 | 10.39 | 1002.8 | 4.73 | 11.61 |
| O | 11.45 | 11.50 | 11.5 | 7.69-8.03 | 11.56-11.69 | 11.38-11.50 | 8.13 | 7 | 10.22 | 1034.23 | 4.64 | 11.35 |
| N | 11.33 | 11.50 | 11.5 | 7.69-8.03 | 11.56-11.63 | 11.38-11.50 | 8.19 | 7 | 10.27 | 1099.30 | 4.40 | 10.87 |
| D | 11.48 | 11.94 | 11.5 | 7.69-8.03 | 11.81-11.94 | 11.69-11.81 | 7.97 | 7 | 10.45 | 1113.88 | 4.45 | 11.04 |
| 1986 J | 12.47 | 12.75 | 12.50 | 8.70-9.03 | 11.81-11.94 | 12.69-12.81 | 8.00 | 7 | 10.80 | 1127.58 | 4.43 | 10.89 |
| F | 12.21 | 12.25 | 12.50 | 8.70-9.03 | 12.25-12.38 | 12.13-12.38 | 7.75 | 7 | 10.40 | 1220.80 | 4.27 | 10.32 |
| M | 11.04 | 11.25 | 11.50 | 7.50-8 | 11.13-11.31 | 11.19-11.31 | 7.47 | 7 | 9.39 | 1348.97 | 4.00 | 9.55 |
| A | 10.09 | 10.38 | 10.50 | 6.30-6.75 | 10.25-10.38 | 10.19-10.31 | 6.78 | 6 | 8.76 | 1391.12 | 3.87 | 9.49 |
| M | 9.56 | 9.75 | 10 | 6.30-6.75 | 9.69- 9.94 | 9.63- 9.75 | 7.09 | 6 | 9.00 | 1331.60 | 4.10 | 10.20 |
| J | 9.52 | 9.75 | 10 | 6.30-6.75 | 9.75- 9.88 | 9.66- 9.72 | 6.87 | 5.25 | 9.23 | 1332.13 | 4.14 | 10.03 |
| J | 9.76 | 9.88 | 10 | 5.66-6.25 | 9.88-10 | 9.75- 9.88 | 6.58 | 5.25 | 9.33 | 1309.62 | 4.21 | 10.14 |
| A | 9.56 | 9.81 | 10 | 5.82-6.25 | 9.81-9.94 | 9.63- 9.75 | 5.75 | 5.25 | 9.41 | 1262.13 | 4.37 | 10.56 |
| S | 9.93 | 9.56 | 10 | 5.82-6.25 | 10.5-10.69 | 10.44-10.56 | 6.00 | 5.25 | 9.97 | 1286.23 | 4.31 | 9.91 |
| O | 10.85 | 10.94 | 11 | 6.69-7.00 | 11.6-11.25 | 11-11.13 | 5.81 | 5.25 | 10.82 | 1262.33 | 4.42 | 10.16 |
| N | 10.96 | 11.38 | 11 | 6.69-7.00 | 11.38-11.44 | 11.19-11.25 | 6.06 | 6 | 10.80 | 1269.25 | 4.41 | 10.21 |
| D | 10.94 | 11.31 | 11 | 6.69-7.00 | 11-11.13 | 11-11.13 | 6.38 | 6 | 10.69 | 1283.58 | 4.45 | 10.50 |
| 1987 J | 10.85 | 11 | 11 | 6.69-7.00 | 11-11.13 | 10.85-11.00 | 6.25 | 6 | 10.09 | 1392.63 | 4.12 | 9.88 |
| F | 10.46 | 10.75 | 11 | 6.69-7.00 | 10.69-10.81 | 10.69-10.75 | 6.38 | 6 | 9.83 | 1529.60 | 3.72 | 8.72 |

1 Average discount rate expressed as the rate at which interest is earned during the life of the bills.
2 For a minimum term of 3 months and thereafter at 7 days' notice.
3 Rate paid on deposits of less than £10 000, which was restricted to 9.5% from September 1973 to 28 February 1975.
4 Spread of rates over the day in the inter-bank sterling market; from June 1982 rates are the spread at 10.30 am.
5 Net of income tax where this is paid by societies at the agreed composite rate.
6 Averages of Wednesdays until February 1980; from March 1980 figures are the average of all observations (3 a week); from January 1982 average of working days. Calculated gross redemption yields - see Financial Statistics Explanatory handbook.


Interest rates, and security yields
Percentage
16
14
12
10
8
6
4
2
0
*Financial Times* index of industrial ordinary shares earnings yield
Long dated government securities
Inter-bank 3 month rate
Euro-dollar 3 month rate
*Financial Times* index of industrial ordinary shares dividend yield
1984
1985
1986

# Cyclical indicators for the UK economy

**Recent movements of the indicators**

During 1986 the coincident index showed little overall change, giving no indication of the direction of the business cycle. The leading indicators do not show a consistent picture of the likely future development of the cycle.

The longer leading index rose strongly between December and February mainly because of the continued rapid increase in share prices. Interest rate movements had a smaller, but still significant, upward effect on the index in the latest three months but the effect of the balance optimism has been neutral between October and January and that of housing starts has been downward since September.

The shorter leading index was little changed during the last three quarters of 1986 but there was a slight rise in January of this year. However, individual components have been relatively volatile. Most notable of these has bene consumer credit which has had a downward effect in recent months, offsetting upward effects from the CBI survey questions and new car registrations.

Movements in the coincident index were very subdued in 1986 - a gentle rise between April and October was followed by a small fall, leaving the index at about the same level as at the beginning of the year. The three measures of GDP had little overall effect on the index in the fourth quarter but the other components have all exerted downward influences in the three months to January of this year - particularly retail sales.

The flat profile of the lagging index since the second half of 1984 has continued up to January of this year.

**Definitions**

This section shows a reference chronology of peaks and troughs representing growth cycles in the UK economy, together with groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. Growth cycles are defined as cyclical movements in the deviations from a long-trend; thus, the contraction phase of a growth cycle occurs when the rate of growth is below this long-term value.

The historical reference chronology has been determined by examination of a range of series covering aggregate economic activity. Known special economic and climatic factors were discounted in judging the location of reference turning points. The indicators forming each group have been chosen because they have had a consistent timing relationship to the reference chronology, and because there is a economic rationale to account for this relationship.

A composite index for each group of indicators is formed by subtracting from each series the value of its long-term trend, then taking a simple average of the trend-eliminated series after smoothing, scaling to give cycles of simpler amplitude, and inversion where appropriate.

*Information included in the table below is based on monthly and quarterly data available to 23 March.*

*Precise details on data availability for each of the component series used in the compilation of the indicators is shown in a table on page 70.*

## Recent movements of the indicators

Jan 1980=100

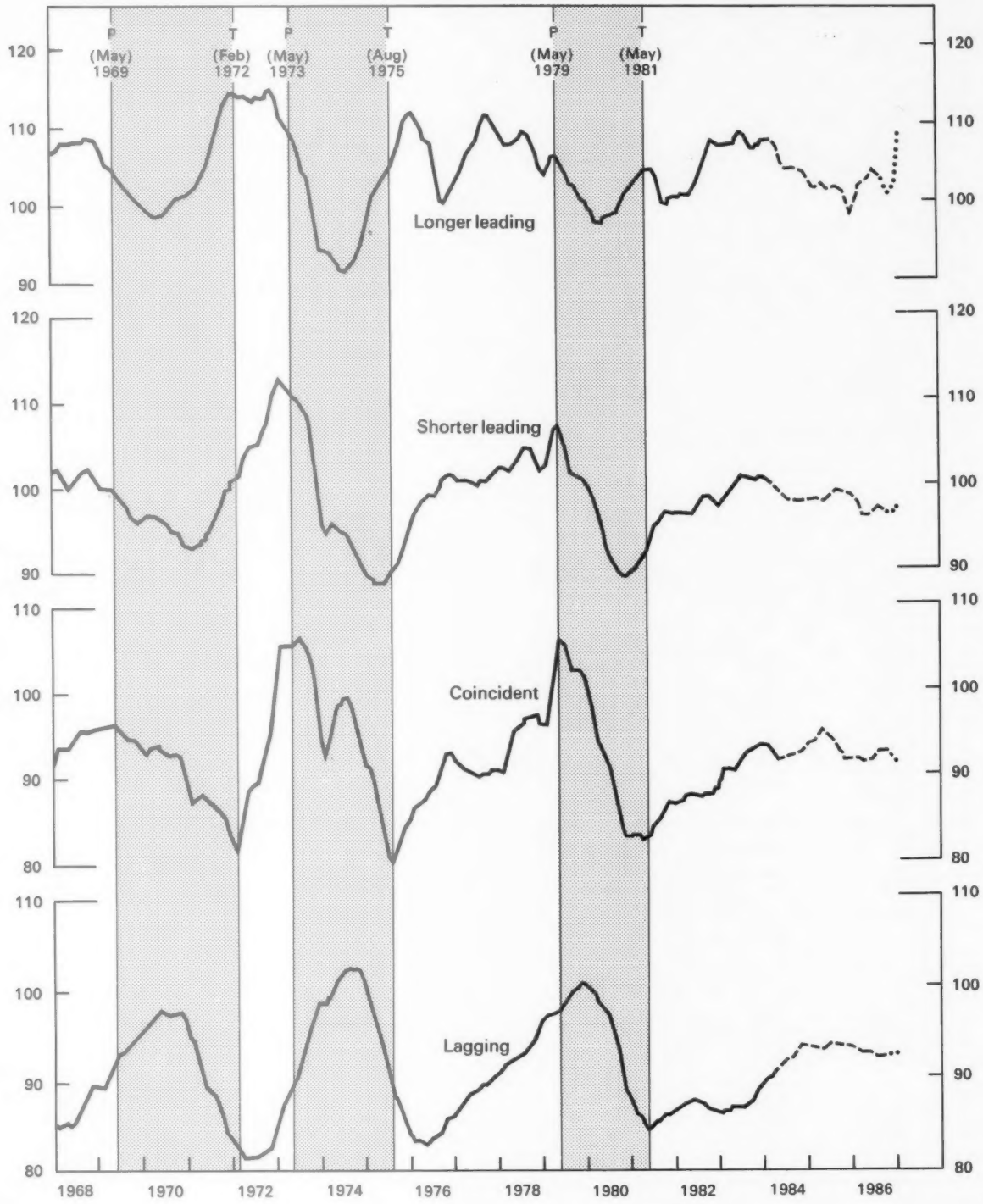
| | Most recent values January 1980=100 | | | | | | | | | | | | Lead (-) or lag (+) in months relative to reference cycle dates | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | | | | | | | | | | 1987 | | | | |
| | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mean | Earliest | Latest |
| Longer leading .. | 99.5<br>5 | 101.4<br>5 | 102.2<br>5 | 102.6<br>5 | 103.3<br>5 | 103.8<br>5 | 103.5<br>5 | 103.1<br>5 | 102.1<br>4 | 100.9<br>4 | 100.8<br>4 | 102.7<br>4 | 108.7<br>2 | -12 | -21 | -5 |
| Shorter leading .. | 98.1<br>5 | 97.2<br>5 | 96.1<br>5 | 96.2<br>5 | 96.4<br>5 | 96.7<br>5 | 97.1<br>5 | 97.0<br>5 | 96.6<br>4 | 96.4<br>4 | 96.5<br>4 | 97.1<br>4 | | -5 | -12 | 0 |
| Coincident .. .. | 91.7<br>7 | 91.6<br>7 | 91.4<br>7 | 91.4<br>7 | 91.5<br>7 | 92.0<br>7 | 92.4<br>7 | 92.5<br>7 | 92.7<br>7 | 92.3<br>7 | 91.9<br>7 | 91.2<br>4 | | 0 | -7 | 5 |
| Lagging .. .. | 92.9<br>5 | 92.6<br>5 | 92.7<br>5 | 92.6<br>5 | 92.5<br>5 | 92.2<br>5 | 92.1<br>5 | 92.2<br>5 | 92.3<br>5 | 92.3<br>5 | 92.5<br>4 | 92.4<br>2 | | +10 | +1 | +17 |

1 A full explanation of the methodology used is given in *Economic Trends*, No. 257, March 1975 and No. 271, May 1976. Each month a chart of the composite indicators is published with, in the February May, August and November issues, a further ten pages showing individual indicator series.

2 In the table, the upper row presents the values of the composite indices for recent months, the lower row the number of series used to form each index. Values of the composite indices are published solely in order to show more precisely the shape of the graphs in recent months. The values are subject to revisions each month, both because of revisions to the series from which they are formed and because of the nature of the trend- elimination process used in the calculation; no significance, therefore, should be attached to the current levels of the indicators, although the month-to- month changes may be used as a guide to the location of turning points. On the charts the parts of the curves which are liable to revision in the trend- elimination process are shown in pecked lines; where the composite indices are based on an incomplete set of indicators, the curves are shown as dotted lines. Additional tables giving the values of all series used are available from the CSO. 01-270 5966.

## Cyclical indicators

**Composite indices of indicator groups. January 1980 = 100**



## The indicators: Their timing characteristics and data availability

| Indicators | Latest data included | Timing relative to reference cycle dates (1) (-) leads, (+) lags months: Average (mean) | Earliest | Latest |
|---|---|---|---|---|
| **Longer leading** | | | | |
| Composite longer leading index | February 1987 | -12 | -21 | - 5 |
| Component series: | | | | |
| Rate of interest, 3 months prime bank bills (2) | February 1987 | -17 | -28 | -11 |
| Financial surplus/deficit, industrial and commercial companies, divided by GDP deflator | 1986 Q3 | -15 | -21 | - 9 |
| Total dwellings started, Great Britain | January 1987 | -10 | -25 | + 6 |
| Financial Times - Actuaries 500 share index (2,3) | February 1987 | - 9 | -20 | - 4 |
| CBI quarterly survey: change in optimism (2) | January 1987 | -10 | -19 | -4 |
| **Shorter leading** | | | | |
| Composite shorter leading index | January 1987 | - 5 | -12 | 0 |
| Component series: | | | | |
| Credit extended by finance houses, retailers and other credit grantors | January 1987 | - 6 | -15 | + 3 |
| New car registrations | January 1987 | - 7 | -26 | 0 |
| CBI quarterly survey: change in new orders (2) | January 1987 | - 8 | -28 | + 2 |
| CBI quarterly survey: expected change in stocks of materials (2) | January 1987 | - 5 | -15 | - 2 |
| Gross trading profits of companies, excluding stock appreciation and mineral oil and natural gas extraction, divided by GDP deflator | 1986 Q3 | - 6 | -18 | 0 |
| **Roughly coincident** | | | | |
| Composite coincident index | January 1987 | 0 | - 7 | + 5 |
| Component series: | | | | |
| Gross domestic product (expenditure) | 1986 Q4 | + 1 | - 9 | +10 |
| Gross domestic product (output) | 1986 Q4 | - 2 | - 7 | + 1 |
| Gross domestic product (income) | 1986 Q4 | + 1 | - 3 | + 5 |
| Volume of retail sales | February 1987 | - 3 | -15 | + 6 |
| Output of the production industries | January 1987 | - 1 | - 4 | + 2 |
| CBI quarterly survey: capacity utilisation | January 1987 | + 2 | - 3 | + 7 |
| CBI quarterly survey: change in stocks of materials | January 1987 | - 1 | - 8 | + 8 |
| **Lagging** | | | | |
| Composite lagging index | January 1987 | +10 | + 1 | +17 |
| Component series: | | | | |
| Unemployment index (3) | February 1987 | + 6 | - 1 | +14 |
| Total employment in manufacturing industries United Kingdom | January 1987 | + 8 | - 1 | +15 |
| Investment in plant and machinery, manufacturing industry | 1986 Q4 | +11 | + 8 | +18 |
| Engineering industries, volume index for orders on hand | November 1986 | +7 | - 4 | +15 |
| Level of stocks and work in progress, manufacturing industry | 1986 Q4 | +11 | 0 | +20 |

1 Assessed on performance up to last identified trough, May 1981.
2 Seasonally adjusted by CSO.
3 Adjusted for changes in coverage.


### HOW TO FIND THE FIGURES

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For the 1986 Edition write to the Information Services Division, Room 58/G, Government Offices, Great George Street, London, SW1P 3AQ, enclosing a stamped addressed envelope.

## Measures of variability of selected economic series (1)

| | Page | Period covered | Average percentage changes $\overline{CI}$ | $\overline{I}$ | $\overline{C}$ | $\overline{I}/\overline{C}$ | MCD or QCD | $\overline{I}/\overline{C}$ for MCD (or QCD) span |
|---|---|---|---|---|---|---|---|---|
| Quarterly series | | | | | | | | |
| National income and components at 1980 prices | | | | | | | | |
| GDP, factor cost | | | | | | | | |
| Expenditure based | 6 | 1st quarter 1970 to 2nd quarter 1986 | 1.4 | 1.0 | 0.9 | 1.1 | 2 | 0.4 |
| Income based | 6 | 1st quarter 1970 to 2nd quarter 1986 | 1.2 | 0.7 | 0.9 | 0.8 | 1 | 0.8 |
| Output based | 6,28 | 1st quarter 1970 to 2nd quarter 1986 | 1.0 | 0.6 | 0.8 | 0.7 | 1 | 0.7 |
| Average estimate | 6 | 1st quarter 1970 to 2nd quarter 1986 | 1.0 | 0.6 | 0.8 | 0.8 | 1 | 0.8 |
| Consumers' expenditure | 8,10 | 1st quarter 1970 to 2nd quarter 1986 | 1.1 | 0.7 | 0.8 | 0.8 | 1 | 0.8 |
| Fixed capital formation | | | | | | | | |
| Total | 8,16 | 1st quarter 1970 to 2nd quarter 1986 | 2.3 | 1.7 | 1.3 | 1.3 | 2 | 0.5 |
| Manufacturing industry | 18 | 1st quarter 1970 to 2nd quarter 1986 | 3.2 | 1.5 | 2.5 | 0.6 | 1 | 0.6 |
| Stockbuilding(2) | | | | | | | | |
| Total | 8,22 | 1st quarter 1970 to 2nd quarter 1986 | 412.0 | 280.1 | 257.5 | 1.1 | 2 | 0.5 |
| Manufacturing | 22 | 1st quarter 1970 to 2nd quarter 1986 | 279.3 | 180.9 | 170.6 | 1.1 | 2 | 0.5 |
| Exports: goods and services | 8 | 1st quarter 1970 to 2nd quarter 1986 | 2.9 | 2.3 | 1.6 | 1.4 | 2 | 0.6 |
| Imports: goods and services | 8 | 1st quarter 1970 to 2nd quarter 1986 | 3.1 | 2.3 | 2.1 | 1.1 | 2 | 0.4 |
| Real personal disposable income | 10 | 1st quarter 1970 to 2nd quarter 1986 | 1.7 | 1.4 | 1.1 | 1.2 | 2 | 0.3 |
| Other national income series | | | | | | | | |
| Gross trading profits of industrial and commercial companies | 60 | 1st quarter 1970 to 2nd quarter 1986 | 6.4 | 3.2 | 4.7 | 0.7 | 1 | 0.7 |
| Other quarterly series | | | | | | | | |
| Construction output(3) | 30 | 1st quarter 1970 to 2nd quarter 1986 | 2.0 | 1.4 | 1.3 | 1.1 | 2 | 0.4 |
| Public sector borrowing requirement(4) | 56 | 1st quarter 1970 to 2nd quarter 1986 | 787.6 | 588.2 | 378.8 | 1.5 | 2 | 0.7 |
| Personal saving ratio(5) | 10 | 1st quarter 1970 to 2nd quarter 1986 | 1.5 | 1.3 | 0.7 | 2.0 | 2 | 0.6 |
| Monthly series | | | | | | | | |
| Retail sales | | | | | | | | |
| Food retailers | 12 | January 1971 to August 1986 | 0.9 | 0.8 | 0.3 | 3.0 | 4 | 0.7 |
| Mixed retail businesses | 12 | January 1971 to August 1986 | 2.0 | 1.8 | 0.5 | 3.6 | 4 | 1.0 |
| Clothing and footwear retailers | 12 | January 1971 to August 1986 | 2.6 | 2.4 | 0.6 | 4.3 | 5 | 0.8 |
| Household goods retailers | 12 | January 1971 to August 1986 | 2.5 | 2.3 | 0.8 | 3.1 | 4 | 1.0 |
| Other non-food retailers | 12 | January 1971 to August 1986 | 1.4 | 1.3 | 0.4 | 3.4 | 4 | 1.0 |
| Cars: new registrations | 12 | January 1975 to December 1985 | 9.5 | 9.4 | 0.9 | 10.9 | 6 | |
| Housing: public authorities(6) | | | | | | | | |
| Starts | 20 | January 1956 to December 1985 | 12.8 | 12.5 | 2.0 | 6.3 | 6 | 1.1 |
| Completions | 20 | January 1956 to December 1985 | 8.5 | 8.4 | 1.4 | 6.2 | 6 | 1.1 |
| Housing: private | | | | | | | | |
| Starts | 20 | January 1956 to December 1985 | 9.6 | 9.4 | 1.8 | 5.2 | 6 | 1.0 |
| Completions | 20 | January 1956 to December 1985 | 6.2 | 6.2 | 0.9 | 6.6 | 6 | 1.1 |
| Index of industrial production: | | | | | | | | |
| Production industries(Revised definition) | 5,26,28 | January 1973 to October 1986 | 1.2 | 1.0 | 0.5 | 2.3 | 3 | 1.0 |
| Manufacturing industries(Revised definition) | 26,28 | January 1973 to October 1986 | 1.3 | 1.2 | 0.4 | 2.7 | 4 | 0.8 |
| Passenger car production: | | | | | | | | |
| Home market | 32 | January 1976 to December 1985 | 12.4 | 12.0 | 1.8 | 6.6 | 6 | 1.4 |
| Export | 32 | January 1976 to December 1985 | 15.1 | 14.5 | 2.7 | 5.3 | 6 | 1.1 |
| Commercial vehicle production: | | | | | | | | |
| Home market | 32 | January 1976 to December 1985 | 10.6 | 9.3 | 3.1 | 3.0 | 4 | 0.8 |
| Export | 32 | January 1976 to December 1985 | 10.2 | 9.3 | 2.8 | 3.3 | 5 | 0.8 |
| Unemployed males - excluding school-leavers(7) | (5,36) | January 1971 to October 1986 | 15.5 | 4.5 | 14.4 | 0.3 | 1 | 0.3 |
| Unemployed females - excluding school-leavers(7) | (5,36) | January 1971 to October 1986 | 6.0 | 1.7 | 5.6 | 0.3 | 1 | 0.3 |
| Vacancies unfilled at jobcentres (7) | (5,36) | April 1978 to September 1986 | 4.2 | 1.8 | 3.5 | 0.5 | 1 | 0.5 |
| Average earnings: whole economy | 40 | January 1976 to December 1982 | 1.0 | 0.3 | 1.0 | 0.3 | 1 | 0.3 |
| Exports: value, f.o.b.(8) | 48 | January 1970 to September 1985 | 4.6 | 4.3 | 1.5 | 2.9 | 3 | 0.9 |
| Imports: value, f.o.b.(8) | 48 | January 1970 to September 1985 | 4.8 | 4.4 | 1.8 | 2.5 | 3 | 0.8 |
| Money stock - £M3(9) | 5,52 | January 1980 to March 1985 | 1.2 | 0.8 | 1.1 | 0.7 | 1 | 0.7 |

1 For a complete description of these measures see article 'Measuring variability in economic time series' in Economic Trends, No 226, August 1972.
The following are brief definitions of the measures.
$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.
$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.
$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes (2,4,6 and 8).
$\overline{I}/\overline{C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.
The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters)for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I}/\overline{C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are on average, greater than the irregular movement.
2 The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$,$\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present, seasonal adjustment of the published stocks series is performed multiplicatively on the level of stocks.
3 Series relates to Great Britain.
4 The seasonal adjustment is additive, so the figures for $\overline{CI}$,$\overline{I}$ and $\overline{C}$ are differences in units of £ million.
5 The figures in the table were obtained from an additive analysis of the personal saving ratio so $\overline{CI}$,$\overline{I}$ and $\overline{C}$ are differences in percentage points.
6 Series relate to Great Britain, though variability measures calculated from England and Wales component.
7 Series relate to Great Britain and may be found in Tables 2.2 and 3.2 of Employment Gazette.
The seasonal adjustment is additive, so the figures for $\overline{CI}$,$\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.
8 The figures have been updated as described in an article in Economic Trends, No 320, June 1980.
9 Although £M3 flows are seasonally adjusted additively, the figures above for $\overline{CI}$,$\overline{I}$ and $\overline{C}$ for levels are presented as percentages of the level of the trend in the preceding month.

*Economic Trends* No.401 March 1987© *Crown Copyright 1987*

# United Kingdom Balance of Payments: preliminary figures for the fourth quarter and year 1986

Preliminary figures indicate that the UK current account was in deficit by £0.8 billion (seasonally adjusted) in the fourth quarter of 1986. For 1986 as a whole there was a deficit of £1.1 billion compared with estimated current account surpluses of £2.9 billion in 1985 and £1.3 billion in 1984 (Table 1).

Visible trade was in deficit in the fourth quarter by £2.6 billion and showed a deficit of £8.3 billion for 1986 overall. This compares with deficits of £2.2 billion in 1985 and £4.4 billion in 1984 (Table 1). The deficits in 1984 and 1985 were, however, estimated to have been increased by the coal strike by £2¾ billion and £1¼ billion respectively.

The preliminary figures for invisible transactions in the quarter show a surplus of £1.8 billion, producing an estimated invisibles surplus for 1986 of £7.2 billion. This compares with £5.1 billion in 1985 and £5.7 billion in 1984. It must be stressed that figures for invisible transactions, particularly for the most recent quarters, are liable to substantial revisions as later information becomes available (Table 1).

The reduced deficit on visible trade in the fourth quarter was due to an increase in the surplus on oil of £0.2 billion and a reduction in the deficit on non-oil trade of £0.1 billion. Comparing 1986 with 1985 the surplus on trade in oil declined by £4.0 billion while the deficit on non-oil trade increased by £2.1 billion (Table 2).

The preliminary estimates for the fourth quarter put the net credit on services at £1.5 billion, similar to that in the preceding quarter (Table 5). Net investment earnings (i.e of interest, profits and dividends) are estimated at £1.2 billion following an estimated third quarter figure of £1.3 billion (Table 6). Net transfer payments overseas, put at £0.9 billion, also showed little change from the third quarter figure (Table 7).

The estimated surplus on trade in services in 1986, £5.3 billion, compares with £5.7 billion in 1985 and £3.8 billion in 1984. Net earnings on financial and other services increased by £1.4 billion between 1985 and 1986 following a similar increase between 1984 and 1985. The travel account, however, which had been in surplus by £0.6 billion in 1985 recorded a deficit of £0.5 billion in 1986 mainly because of a sharp increase in expenditure abroad by UK residents. The civil aviation account which had been in surplus by £0.3 billion in 1985 showed a deficit of £0.2 billion in 1986 (Table 5).

The preliminary estimate of the balance on interest, profits and dividends in 1986 is £4.3 billion compared with £2.9 billion in 1985 and £4.1 billion in 1984. Earnings on UK direct investment overseas fell by £1.0 billion between 1985 and 1986, but there was an even larger fall, of £2.1 billion, in earnings due on overseas investment in the UK which was more than accounted for by the decline in the earnings of oil companies. Earnings on overseas portfolio investment by UK residents other than banks increased from £2.8 billion in 1985 to £3.7 billion in 1986 (Table 6).

The deficit on transfers in 1986 was £2.4 billion, compared with £3.5 billion in 1985 and £2.3 billion in 1984. The deficit with EC institutions fell by £1.2 billion between 1985 and 1986 reflecting payments in 1985 under both the 1984 and 1985 Inter-Governmental Agreements and a delay until 1986 in the receipt of most of the lump sum VAT abatement arising from the UK's excessive net contribution to the 1984 Community budget (Table 7).

Although figures for transactions in external assets and liabilities are not yet complete for the fourth quarter (most of the transactions between the UK non-bank private sector and banks overseas are not yet known) a smaller net outflow is identified for 1986 as a whole (£5.8 billion) than in 1985 (£7.3 billion) and 1984 (£6.4 billion) (Table 8).

Net transactions in assets and liabilities should, with reversal of sign, equal the balance on current account. The movement between 1984 and 1986 thus reflects the changes in the current account over the same period, but inexactly because of the many measurement and timing problems which necessitate the inclusion of a balancing item in the accounts. Over the last three years the strongly positive nature of the balancing item indicates that, if there are no significant omissions from the current account, there must be overstatement of financial outflows, understatement of inflows, or a combination of both (Table 1).

The major change between the latest two years occurred in overseas lending and borrowing and overseas portfolio investment by UK banks (Tables 8 and 10). A net outflow of £2.8 billion under these headings in 1985 was followed by a net inflow of £3.7 billion in 1986.

Direct investment overseas by UK residents, rose sharply in the second half of 1986. Fourth quarter investment was £4.2 billion as companies made further substantial acquisitions (Table 9). Overseas portfolio investment by UK residents other than banks, provisionally estimated £1.9 billion in the fourth quarter, was much smaller than in the earlier quarters of 1986 in the lead up to the "Big Bang". The total for the year, £12.8 billion, was £4.8 billion higher than in 1985 (Table 10).

Direct investment in the UK by overseas residents, though reduced to £0.6 billion in the fourth quarter, was £1.7 billion higher in 1986 than 1985 (Table 9).

The official reserves fell by £0.3 billion in the fourth quarter but rose by £2.9 billion in the year with the addition of the proceeds from HM Government's $4 billion floating rate note issue in September (Table 13)

**Revisions**

Revisions have been made to the figures for earlier quarters published in December, including substantial reductions to earnings on UK portfolio investment overseas. These mainly stem from the results of the 1985 inquiry to insurance companies which have just become available.

*Central Statistical Office*

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# BALANCE OF PAYMENTS SUMMARY

**TABLE 1**

£ million

| | | Seasonally adjusted | | | | | Not seasonally adjusted | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Invisibles (balance) | | | | | | UK external assets and liabilities | | | Allocation of SDRs and gold sub-scription to IMF | |
| | | Visible trade (balance) | Services | I.P.D. | Transfers | Total | Current balance | Current balance | Capital transfers | Trans-actions in assets 1 | Trans-actions in liabili-ties 1 | Net trans-actions | Balancing item |
| | | AIMA | AIMC | AIMD | AIME | AIMB | AIMF | AIMG | CGPS | HEPZ | HEQW | HEQU | AIMI | AASA |
| 1975 | | -3 333 | 1 338 | 890 | -475 | 1 751 | -1 582 | -1 582 | - | -1 534 | 3 135 | 1 601 | - | -19 |
| 1976 | | -3 929 | 2 245 | 1 550 | -786 | 3 009 | -920 | -920 | - | -3 723 | 4 317 | 594 | - | 326 |
| 1977 | | -2 284 | 3 038 | 238 | -1 128 | 2 148 | -136 | -136 | - | -13 193 | 9 952 | -3 241 | - | 3 377 |
| 1978 | | -1 542 | 3 478 | 820 | -1 791 | 2 507 | 965 | 965 | - | -4 628 | 1 506 | -3 122 | - | 2 157 |
| 1979 | | -3 449 | 3 818 | 1 193 | -2 279 | 2 732 | -717 | -717 | - | -39 515 | 39 446† | -69† | 195 | 591† |
| 1980 | | 1 361 | 3 868 | -222 | -2 078 | 1 568 | 2 929 | 2 929 | - | -42 139† | 39 203 | -2 936 | 180 | -173 |
| 1981 | | 3 360 | 3 826 | 949 | -1 976 | 2 799 | 6 159 | 6 159 | - | -49 580 | 43 070 | -6 510 | 158 | 193 |
| 1982 | | 2 331 | 2 607 | 959† | -1 961 | 1 605† | 3 936† | 3 936† | - | -31 023 | 28 506 | -2 517 | - | -1 419 |
| 1983 | | -835 | 3 654† | 2 420 | -2 104 | 3 970 | 3 135 | 3 135 | - | -30 815 | 26 148 | -4 667 | - | 1 532 |
| 1984 | | -4 384 | 3 837 | 4 145 | -2 316† | 5 666 | 1 282 | 1 282 | - | -31 259 | 24 847 | -6 412 | - | 5 130 |
| 1985 | | -2 178† | 5 708 | 2 937 | -3 521 | 5 124 | 2 946 | 2 946 | - | -50 215 | 42 888 | -7 327 | - | 4 381 |
| 1986 | | -8 254 | 5 319 | 4 256 | -2 421 | 7 154 | -1 100 | -1 100 | - | -86 964 | 81 206 | -5 758 | - | 6 858 |
| 1978 | 1 | -562 | 845 | 99 | -534 | 410 | -152 | -458 | - | -1 593 | 1 285 | -328 | - | 786 |
| | 2 | -159 | 758 | 279 | -383 | 654 | 495 | 290 | - | 742 | -1 444 | -702 | - | 412 |
| | 3 | -557 | 927 | 226 | -465 | 688 | 131 | 549 | - | -1 580 | 919 | -661 | - | 112 |
| | 4 | -264 | 948 | 216 | -409 | 755 | 491 | 584 | - | -2 197 | 766 | -1 431 | - | 847 |
| 1979 | 1 | -1 433 | 922 | 443 | -525 | 840 | -593 | -911 | - | -4 023 | 3 611† | -412† | 195 | 1 128† |
| | 2 | -479 | 880 | 145 | -491 | 514 | 35 | -162 | - | -9 968 | 9 976 | 8 | - | 154 |
| | 3 | -723 | 1 001 | 460 | -609 | 852 | 129 | 536 | - | -15 327 | 15 089 | -238 | - | -298 |
| | 4 | -814 | 1 035 | 145 | -654 | 526 | -288 | -180 | - | -10 197 | 10 770 | 573 | - | -393 |
| 1980 | 1 | -388 | 954 | -98 | -506 | 350 | -38 | -394 | - | -13 983 | 12 789 | -1 194 | 180 | 1 408 |
| | 2 | -250 | 936 | -175 | -600 | 161 | -89 | -301 | - | -7 719 | 7 819 | 100 | - | 201 |
| | 3 | 843 | 956 | -27 | -590 | 339 | 1 182 | 1 378 | - | -4 571† | 4 460 | -111 | - | -1 267 |
| | 4 | 1 156 | 1 022 | 78 | -382 | 718 | 1 874 | 2 246 | - | -15 866 | 14 135 | -1 731 | - | -515 |
| 1981 | 1 | 1 738 | 1 012† | 173 | -186 | 1 019† | 2 757† | 2 482 | - | -14 780 | 10 807 | -4 153 | 158 | 1 513 |
| | 2 | 1 268 | 971 | 310 | -686 | 595 | 1 863 | 1 538 | - | -8 199 | 6 423 | -1 776 | - | 238 |
| | 3 | 33 | 900 | 235 | -771 | 364 | 397 | 505 | - | -13 517 | 13 037 | -480 | - | -25 |
| | 4 | 321 | 943 | 231 | -353 | 821 | 1 142 | 1 634 | - | -13 104 | 13 003 | -101 | - | -1 533 |
| 1982 | 1 | 442 | 749 | -128† | 73 | 694 | 1 136 | 819 | - | -11 811 | 11 756 | -55 | - | -764 |
| | 2 | 197 | 681 | 305 | -807 | 179 | 376 | -62 | - | 25 | 816 | 841 | - | -779 |
| | 3 | 621 | 486 | 278 | -700 | 64 | 685 | 793† | - | -18 125 | 16 394 | -1 731 | - | 938 |
| | 4 | 1 071 | 691 | 504 | -527 | 668 | 1 739 | 2 386 | - | -1 112 | -460 | -1 572 | - | -814 |
| 1983 | 1 | 69 | 978 | 621 | -89 | 1 510 | 1 579 | 1 321 | - | -10 585 | 8 552 | -2 033 | - | 712 |
| | 2 | -465 | 974 | 246 | -804 | 416 | -49 | -517 | - | 5 | 862 | 867 | - | -350 |
| | 3 | -86 | 818 | 942 | -521 | 1 239 | 1 153 | 1 189 | - | -11 226 | 11 749 | 523 | - | -1 712 |
| | 4 | -353 | 884 | 611 | -690 | 805 | 452 | 1 142 | - | -9 009 | 4 985 | -4 024 | - | 2 882 |
| 1984 | 1 | -13† | 985 | 782 | -505† | 1 262 | 1 249 | 688 | - | -14 213 | 13 339 | -874 | - | 186 |
| | 2 | -1 269 | 865 | 872 | -811 | 926 | -343 | -818 | - | -7 999 | 6 866 | -1 133 | - | 1 951 |
| | 3 | -1 516 | 953 | 1 166 | -761 | 1 358 | -158 | -39 | - | -1 050 | -389 | -1 439 | - | 1 478 |
| | 4 | -1 586 | 1 034 | 1 325 | -239 | 2 120 | 534 | 1 451 | - | -7 997 | 5 031 | -2 966 | - | 1 515 |
| 1985 | 1 | -1 198 | 1 174 | 931 | -1 022 | 1 083 | -115 | -758 | - | -16 539 | 13 306 | -3 233 | - | 3 991 |
| | 2 | -212 | 1 565 | 708 | -759 | 1 514 | 1 302 | 901 | - | -6 266 | 4 949 | -1 317 | - | 416 |
| | 3 | -596 | 1 555 | 1 121 | -933 | 1 743 | 1 147 | 1 257 | - | -15 524 | 10 389 | -5 135 | - | 3 878 |
| | 4 | -172 | 1 414 | 177 | -807 | 784 | 612 | 1 546 | - | -11 886 | 14 244 | 2 358 | - | -3 904 |
| 1986 | 1 | -1 227 | 1 210 | 804 | -105 | 1 909 | 682 | 176 | - | -14 721 | 13 546 | -1 175 | - | 999 |
| | 2 | -1 551 | 1 197 | 880 | -620 | 1 457 | -94 | -507 | - | -14 291 | 11 903 | -2 388 | - | 2 895 |
| | 3 | -2 873 | 1 432 | 1 330 | -820 | 1 942 | -931 | -1 119 | - | -41 011 | 42 019 | 1 008 | - | 111 |
| | 4 | -2 603 | 1 480 | 1 242 | -876 | 1 846 | -757 | 350 | - | -16 941 | 13 738 | -3 203 | - | 2 853 |

1. Prior to 1979 foreign currency lending and borrowing abroad by UK banks (other than certain export credit extended) is recorded on a net basis under liabilities.

# VISIBLE TRADE IN THE BALANCE OF PAYMENTS

## TABLE 2

£ million

| | | Not seasonally adjusted | | Seasonally adjusted | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Total goods | | Total goods | | | Of which: Oil | | | Non-oil | | |
| | | Exports (f.o.b.) | Imports (f.o.b.) | Exports (f.o.b.) | Imports (f.o.b.) | Visible balance | Exports (f.o.b.) | Imports (f.o.b.) | Visible balance | Exports (f.o.b.) | Imports (f.o.b.) | Visible balance |
| | | CGJP | CGGL | CGKG | CGHK | AIMA | CGQE | CGQG | CGQI | CGQF | CGQH | CGQJ |
| 1975 | | 19 330 | 22 663 | 19 330 | 22 663 | -3 333 | 734 | 3 791 | -3 057 | 18 596 | 18 872 | -276 |
| 1976 | | 25 191 | 29 120 | 25 191 | 29 120 | -3 929 | 1 172 | 5 119 | -3 947 | 24 019 | 24 001 | 18 |
| 1977 | | 31 728 | 34 012 | 31 728 | 34 012 | -2 284 | 1 979 | 4 750 | -2 771 | 29 749 | 29 262 | 487 |
| 1978 | | 35 063 | 36 605 | 35 063 | 36 605 | -1 542 | 2 235 | 4 219 | -1 984 | 32 828 | 32 386 | 442 |
| 1979 | | 40 687 | 44 136 | 40 687 | 44 136 | -3 449 | 4 158 | 4 889 | -731 | 36 529 | 39 247 | -2 718 |
| 1980 | | 47 422 | 46 061 | 47 422 | 46 061 | 1 361 | 6 133 | 5 818 | 315 | 41 289 | 40 243 | 1 046 |
| 1981 | | 50 977 | 47 617 | 50 977 | 47 617 | 3 360 | 9 107 | 5 996 | 3 111 | 41 870 | 41 621 | 249 |
| 1982 | | 55 565 | 53 234 | 55 565 | 53 234 | 2 331 | 10 686 | 6 043 | 4 643 | 44 879 | 47 191 | -2 312 |
| 1983 | | 60 776 | 61 611 | 60 776 | 61 611 | -835 | 12 501 | 5 525 | 6 976 | 48 275 | 56 086 | -7 811 |
| 1984 | | 70 367 | 74 751 | 70 367 | 74 751 | -4 384 | 14 852 | 7 915 | 6 937 | 55 515 | 66 836 | -11 321 |
| 1985 | | 78 111† | 80 289† | 78 111† | 80 289† | -2 178† | 16 134† | 8 029† | 8 105† | 61 977† | 72 260† | -10 283† |
| 1986 | | 72 842 | 81 096 | 72 842 | 81 096 | -8 254 | 8 221 | 4 068 | 4 153 | 64 621 | 77 028 | -12 407 |
| 1978 | 1 | 8 198 | 8 920 | 8 282 | 8 844 | -562 | 485 | 1 096 | -611 | 7 797 | 7 748 | 49 |
| | 2 | 9 125 | 9 315 | 8 790 | 8 949 | -159 | 554 | 966 | -412 | 8 236 | 7 983 | 253 |
| | 3 | 8 502 | 8 978 | 8 854 | 9 411 | -557 | 613 | 1 115 | -502 | 8 241 | 8 296 | -55 |
| | 4 | 9 238 | 9 392 | 9 137 | 9 401 | -264 | 583 | 1 042 | -459 | 8 554 | 8 359 | 195 |
| 1979 | 1 | 8 444 | 10 095 | 8 313 | 9 746 | -1 433 | 757 | 964 | -207 | 7 556 | 8 782 | -1 226 |
| | 2 | 10 813 | 11 370 | 10 759 | 11 238 | -479 | 948 | 1 167 | -221 | 9 813 | 10 071 | -258 |
| | 3 | 10 091 | 10 680 | 10 497 | 11 220 | -723 | 1 162 | 1 326 | -164 | 9 335 | 9 894 | -559 |
| | 4 | 11 339 | 11 981 | 11 118 | 11 932 | -814 | 1 293 | 1 432 | -139 | 9 825 | 10 500 | -675 |
| 1980 | 1 | 12 012 | 12 679 | 11 979 | 12 367 | -388 | 1 429 | 1 535 | -106 | 10 550 | 10 832 | -282 |
| | 2 | 11 915 | 12 223 | 11 957 | 12 207 | -250 | 1 555 | 1 562 | -7 | 10 402 | 10 645 | -243 |
| | 3 | 11 430 | 10 570 | 11 728 | 10 885 | 843 | 1 539 | 1 344 | 195 | 10 189 | 9 541 | 648 |
| | 4 | 12 065 | 10 589 | 11 758 | 10 602 | 1 156 | 1 610 | 1 377 | 233 | 10 148 | 9 225 | 923 |
| 1981 | 1 | 11 755 | 10 277 | 11 843 | 10 105 | 1 738 | 2 071 | 1 306 | 765 | 9 772 | 8 799 | 973 |
| | 2 | 12 295 | 11 178 | 12 274 | 11 006 | 1 268 | 2 218 | 1 331 | 887 | 10 056 | 9 675 | 381 |
| | 3 | 12 786 | 12 760 | 13 236 | 13 203 | 33 | 2 432 | 1 662 | 770 | 10 804 | 11 541 | -737 |
| | 4 | 14 141 | 13 402 | 13 624 | 13 303 | 321 | 2 386 | 1 697 | 689 | 11 238 | 11 606 | -368 |
| 1982 | 1 | 13 342 | 13 280 | 13 481 | 13 039 | 442 | 2 367 | 1 662 | 705 | 11 114 | 11 377 | -263 |
| | 2 | 13 802 | 13 783 | 13 857 | 13 660 | 197 | 2 437 | 1 526 | 911 | 11 420 | 12 134 | -714 |
| | 3 | 13 473 | 12 839 | 13 803 | 13 182 | 621 | 2 853 | 1 495 | 1 358 | 10 950 | 11 687 | -737 |
| | 4 | 14 948 | 13 332 | 14 424 | 13 353 | 1 071 | 3 029 | 1 360 | 1 669 | 11 395 | 11 993 | -598 |
| 1983 | 1 | 14 690 | 14 945 | 14 682 | 14 613 | 69 | 3 087 | 1 318 | 1 769 | 11 595 | 13 295 | -1 700 |
| | 2 | 14 760 | 15 505 | 14 745 | 15 210 | -465 | 2 936 | 1 386 | 1 550 | 11 809 | 13 824 | -2 015 |
| | 3 | 14 782 | 14 921 | 15 290 | 15 376 | -86 | 2 962 | 1 400 | 1 562 | 12 328 | 13 976 | -1 648 |
| | 4 | 16 544 | 16 240 | 16 059 | 16 412 | -353 | 3 516 | 1 421 | 2 095 | 12 543 | 14 991 | -2 448 |
| 1984 | 1 | 16 856 | 17 374 | 16 693† | 16 706† | -13† | 3 628† | 1 371† | 2 257† | 13 065† | 15 335† | -2 270† |
| | 2 | 16 840 | 18 425 | 16 855 | 18 124 | -1 269 | 3 414 | 1 882 | 1 532 | 13 441 | 16 242 | -2 801 |
| | 3 | 16 702 | 18 205 | 17 628 | 19 144 | -1 516 | 3 728 | 2 056 | 1 672 | 13 900 | 17 088 | -3 188 |
| | 4 | 19 969 | 20 747 | 19 191 | 20 777 | -1 586 | 4 082 | 2 606 | 1 476 | 15 109 | 18 171 | -3 062 |
| 1985 | 1 | 19 985† | 21 787† | 20 081 | 21 279 | -1 198 | 4 728 | 2 834 | 1 894 | 15 353 | 18 445 | -3 092 |
| | 2 | 20 220 | 20 636 | 20 192 | 20 404 | -212 | 4 326 | 1 878 | 2 448 | 15 866 | 18 526 | -2 660 |
| | 3 | 17 936 | 18 462 | 18 703 | 19 299 | -596 | 3 394 | 1 614 | 1 780 | 15 309 | 17 685 | -2 376 |
| | 4 | 19 970 | 19 404 | 19 135 | 19 307 | -172 | 3 686 | 1 703 | 1 983 | 15 449 | 17 604 | -2 155 |
| 1986 | 1 | 17 565 | 19 338 | 18 164 | 19 391 | -1 227 | 3 024 | 1 134 | 1 890 | 15 140 | 18 257 | -3 117 |
| | 2 | 18 334 | 20 276 | 17 786 | 19 337 | -1 551 | 1 783 | 1 011 | 772 | 16 003 | 18 326 | -2 323 |
| | 3 | 16 691 | 19 629 | 17 553 | 20 426 | -2 873 | 1 529 | 882 | 647 | 16 024 | 19 544 | -3 520 |
| | 4 | 20 252 | 21 853 | 19 339 | 21 942 | -2 603 | 1 885 | 1 041 | 844 | 17 454 | 20 901 | -3 447 |

# VOLUME, IMPLIED PRICE AND UNIT VALUE INDICES

**TABLE 3**

1980=100

| | Seasonally adjusted | | | | Not seasonally adjusted | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Volume indices | | | | Implied price indices (1) | | | Unit value indices (2) | | Terms of trade (3) | |
| | All goods | Non-oil goods | Services | Goods and services | Goods | Services | Goods and services | All goods | Non-oil goods | All goods | Non-oil goods |
| **Exports** | CGTR | CGSV | CGSI | HHCX | HHIT | CGTA | HHDB | CGTO | CGSX | CGTQ | CGSZ |
| 1975 | 77.8 | 83 5 | 92.0 | 81.3 | 52.4 | 53.2 | 52.6 | 50.9 | 53.2 | 87.6 | 87.7 |
| 1976 | 85.4 | 91.2 | 98.2 | 88.6 | 62.2 | 65.1 | 63.0 | 60.8 | 63.5 | 85.7 | 87.4 |
| 1977 | 92.1 | 97.0 | 101.7 | 94.5 | 72.7 | 72.9 | 72.7 | 72.0 | 75.2 | 87.7 | 89.0 |
| 1978 | 94.5 | 98 2 | 101.6 | 96.3 | 78.2 | 78.1 | 78.2 | 79.1 | 83.1 | 92.7 | 92.8 |
| 1979 | 99.1 | 98. | 103.1 | 100.1 | 86.6 | 88.8 | 87.1 | 87.6 | 90.7 | 96.4 | 96.3 |
| 1980 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 1981 | 99.3 | 96.3 | 99.9 | 99.4 | 108.3 | 107.8 | 108.2 | 108.8 | 106.5 | 100.5 | 101.1 |
| 1982 | 101.9 | 97.3 | 95.4 | 100.3 | 115.0 | 117.0 | 115.5 | 116.2 | 113.9 | 99.6 | 100.9 |
| 1983 | 103.8 | 97.2 | 98.7 | 102.5 | 123.5 | 126.8 | 124.3 | 125.7 | 123.6 | 98.6 | 99.4 |
| 1984 | 112.5 | 104.9 | 100.8† | 109.6† | 131.9 | 136.3 | 132.9 | 136.0 | 133.5 | 97.4 | 98.0 |
| 1985 | 118.7† | 110.6 | 107.6 | 115.9 | 138.8 | 143.5 | 139.9 | 143.5 | 141.8 | 98.8† | 100.0 |
| 1986 | 123.1 | 115.2† | 108.0 | 119.4 | 124.8† | 148.0† | 130.0† | 136.6† | 145.1† | 101.9 | 102.6† |
| 1983 1 | 102.1 | 95.8 | 99.7† | 101.5 | 121.3 | 123.8 | 122.0† | 123.0 | 120.3 | 98.3 | 99.4 |
| 2 | 101.3 | 95.2 | 99.0 | 100.7† | 122.7 | 125.4 | 123.5 | 124.9 | 123.0 | 98.5 | 99.2 |
| 3 | 103.7 | 98.3 | 98.5 | 102.4 | 124.4 | 126.9 | 125.1 | 126.9 | 125.1 | 99.4 | 100.3 |
| 4 | 107.9 | 99.5 | 97.6 | 105.4 | 125.5 | 131.2 | 126.5 | 128.2 | 126.0 | 98.3 | 99.0 |
| 1984 1 | 109.5 | 101.4† | 99.1 | 106.9 | 128.5 | 134.3 | 129.8 | 131.4 | 129.0 | 98.2 | 98.7 |
| 2 | 109.0† | 102.7 | 99.2 | 106.5 | 130.5† | 134.8 | 131.6 | 134.3 | 131.7 | 97.6† | 97.9 |
| 3 | 112.8 | 104.4 | 100.2 | 109.8 | 131.9 | 135.1 | 132.9 | 137.1 | 135.2 | 96.9 | 98.0 |
| 4 | 118.6 | 111.3 | 104.6 | 115.1 | 136.5 | 141.0† | 137.1 | 141.3 | 138.1 | 96.9 | 97.6 |
| 1985 1 | 118.7 | 109.2 | 105.1 | 115.3 | 142.7 | 144.9 | 143.0 | 146.4 | 142.2 | 96.1 | 96.6 |
| 2 | 120.2 | 111.9 | 108.9 | 117.4 | 141.7 | 142.8 | 142.2 | 145.5 | 142.8 | 97.8 | 98.8 |
| 3 | 116.2 | 109.8 | 107.5 | 114.0 | 135.8 | 141.7 | 137.3 | 141.7 | 141.6 | 100.2 | 101.7 |
| 4 | 119.6 | 111.4 | 108.8 | 117.0 | 134.9 | 145.2 | 137.1 | 140.5 | 140.6 | 101.6 | 103.1 |
| 1986 1 | 117.5 | 108.2 | 104.6 | 114.3 | 130.4 | 147.6 | 134.2 | 139.0 | 143.0 | 101.0 | 102.1 |
| 2 | 121.9 | 114.7 | 106.6 | 118.1 | 123.1 | 146.5 | 128.4 | 134.8 | 144.2 | 102.6 | 103.7 |
| 3 | 122.6 | 114.7 | 109.1 | 119.2 | 120.8 | 148.4 | 127.2 | 134.3† | 145.3† | 103.1 | 103.4† |
| 4 | 130.5 | 123.1 | 111.8 | 125.8 | 125.0 | 149.5 | 130.3 | 138.1 | 148.1 | 100.8 | 101.2 |
| **Imports** | | | | | | | | | | | |
| | CGTS | CGSW | CGSP | HHCY | HHIU | CGTB | HHDC | CGTP | CGSY | | |
| 1975 | 84.7 | 75.5 | 88.0 | 85.5 | 58.1 | 61.0 | 58.6 | 58.0 | 60.7 | | |
| 1976 | 89.6 | 80.7 | 86.6 | 89.1 | 70.5 | 76.0 | 71.6 | 70.9 | 72.7 | | |
| 1977 | 91.3 | 85.2 | 85.7 | 90.2 | 80.9 | 84.9 | 81.6 | 82.1 | 84.5 | | |
| 1978 | 95.5 | 90.4 | 86.4 | 93.7 | 83.2 | 87.9 | 84.1 | 85.2 | 89.5 | | |
| 1979 | 105.7 | 103.0 | 94.8 | 103.5 | 90.6 | 94.1 | 91.3 | 90.9 | 94.2 | | |
| 1980 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | | |
| 1981 | 96.3 | 98.6 | 102.2† | 97.5 | 107.4 | 108.2† | 107.6† | 108.2 | 105.3 | | |
| 1982 | 101.5 | 105.7 | 107.8 | 102.8 | 113.9 | 116.9 | 114.5 | 116.7 | 112.8 | | |
| 1983 | 109.7 | 116.4 | 103.9 | 108.5 | 122.0 | 130.2 | 123.6 | 127.5 | 124.3 | | |
| 1984 | 121.8† | 128.2 | 105.3 | 118.5† | 133.2 | 142.3 | 134.8 | 139.7 | 136.2 | | |
| 1985 | 126.0 | 133.0 | 107.1 | 122.2 | 138.3 | 146.2 | 139.7 | 145.2 | 141.8 | | |
| 1986 | 133.9 | 140.5† | 111.4 | 129.3 | 131.5† | 150.1 | 134.8 | 134.0† | 141.5† | | |
| 1983 1 | 105.6 | 112.3 | 101.3† | 104.7 | 120.2 | 129.5 | 122.0 | 125.1 | 121.0 | | |
| 2 | 108.0 | 114.1 | 102.9 | 106.9† | 122.3 | 128.4 | 123.6 | 126.7 | 124.0 | | |
| 3 | 110.0 | 116.7 | 106.6 | 109.3 | 121.4 | 129.3† | 123.2 | 127.7 | 124.7 | | |
| 4 | 115.1 | 122.6 | 104.6 | 113.0 | 123.8 | 134.1 | 125.4 | 130.4 | 127.4 | | |
| 1984 1 | 113.6† | 121.5† | 104.2 | 111.7 | 127.7† | 138.5 | 129.5† | 133.9 | 130.7 | | |
| 2 | 120.2 | 126.3 | 106.8 | 117.4 | 131.0 | 139.0 | 132.5 | 137.6 | 134.6 | | |
| 3 | 123.6 | 129.8 | 103.4 | 119.5 | 134.5 | 143.0 | 136.3 | 141.4 | 137.9 | | |
| 4 | 130.0 | 135.0 | 106.8 | 125.3 | 138.8 | 148.6 | 140.4 | 145.8 | 141.6 | | |
| 1985 1 | 126.3 | 130.7 | 106.5 | 122.2 | 146.3 | 153.0 | 147.2 | 152.3 | 147.1 | | |
| 2 | 125.0 | 133.1 | 105.4 | 121.0 | 141.8 | 146.8 | 142.7 | 148.7 | 144.6 | | |
| 3 | 124.8 | 132.9 | 105.9 | 120.9 | 134.3 | 141.1 | 135.7 | 141.4 | 139.2 | | |
| 4 | 128.0 | 135.3 | 110.7 | 124.5 | 131.0 | 146.0 | 133.5 | 138.3† | 136.4 | | |
| 1986 1 | 124.9 | 133.8 | 112.6 | 122.4 | 134.8 | 146.8 | 136.7 | 137.6 | 140.0 | | |
| 2 | 128.8 | 135.1 | 112.5 | 125.5 | 130.4 | 147.4 | 133.7 | 131.5 | 139.0 | | |
| 3 | 138.5 | 143.5 | 109.1 | 132.4 | 128.1 | 152.4 | 132.3 | 130.2 | 140.5† | | |
| 4 | 143.4 | 149.5 | 111.5 | 136.9 | 132.9 | 153.2 | 136.3 | 137.0 | 146.4 | | |

1. Current price value as a percentage of value at 1980 prices. Shows the price difference compared with 1980 for the current pattern of trade.
2. Shows the price difference compared with 1980 for the 1980 pattern of trade (the 1975 pattern up to 1977). Not available for services.
3. Export unit value indices as a percentage of import unit value indices. These values are shown against 'exports' for convenience.

# INVISIBLES: SUMMARY

TABLE 4

£ million

| | Seasonally adjusted | | | | | | | | | | | Not seasonally adjusted | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Invisibles credits | | | | Invisibles debits | | | | Invisibles balance | | | Total invisibles | | |
| | | | | | | | | | | of which: | | | | |
| | Services | IPD | Transfers | Total | Services | IPD | Transfers | Total | Total | Private sector and PC: services and IPD | Gen. govt. transactions and private transfers | Credits | Debits | Balance |
| | CGKS | CGKL | CGKT | CGKR | CGHU | CGHJ | CGHV | CGHT | AIMB | CGIV | CGIS | CGJY | CGGY | CGIK |
| 1975 | 7 677 | 6 563 | 759 | 14 999 | 6 341 | 5 673 | 1 234 | 13 248 | 1 751 | 3 020 | -1 269 | 14 999 | 13 248 | 1 751 |
| 1976 | 10 019 | 8 379 | 790 | 19 188 | 7 774 | 6 829 | 1 576 | 16 179 | 3 009 | 4 672 | -1 663 | 19 188 | 16 179 | 3 009 |
| 1977 | 11 625 | 8 789 | 912 | 21 326 | 8 587 | 8 551 | 2 040 | 19 178 | 2 148 | 4 157 | -2 009 | 21 326 | 19 178 | 2 148 |
| 1978 | 12 440 | 11 195 | 1 213 | 24 848 | 8 962 | 10 375 | 3 004 | 22 341 | 2 507 | 4 990 | -2 483 | 24 848 | 22 341 | 2 507 |
| 1979 | 14 350 | 17 523 | 1 351 | 33 224 | 10 532 | 16 330 | 3 630 | 30 492 | 2 732 | 5 682 | -2 950 | 33 224 | 30 492 | 2 732 |
| 1980 | 15 675 | 23 533 | 1 800 | 41 008 | 11 807 | 23 755 | 3 878 | 39 440 | 1 568 | 4 447 | -2 879 | 41 008 | 39 440 | 1 568 |
| 1981 | 16 884 | 37 137 | 2 614 | 56 635 | 13 058 | 36 188 | 4 590 | 53 836 | 2 799 | 5 624 | -2 825 | 56 635 | 53 836 | 2 799 |
| 1982 | 17 495 | 43 807 | 3 291 | 64 593 | 14 888 | 42 848† | 5 252 | 62 988† | 1 605† | 5 191 | -3 588† | 64 593 | 62 988† | 1 605† |
| 1983 | 19 623 | 42 066 | 3 536 | 65 225 | 15 969† | 39 646 | 5 640 | 61 255 | 3 970 | 7 697† | -3 727 | 65 225 | 61 255 | 3 970 |
| 1984 | 21 531† | 51 543† | 3 798 | 76 872† | 17 694 | 47 398 | 6 114† | 71 206 | 5 666 | 9 886 | -4 220 | 76 872† | 71 206 | 5 666 |
| 1985 | 24 205 | 52 639 | 3 323 | 80 167 | 18 497 | 49 702 | 6 844 | 75 043 | 5 124 | 10 889 | -5 765 | 80 167 | 75 043 | 5 124 |
| 1986 | 25 087 | 47 119 | 3 694† | 75 880 | 19 748 | 42 863 | 6 115 | 68 726 | 7 154 | 12 014 | -4 860 | 75 880 | 68 726 | 7 154 |
| 1978 1 | 3 002 | 2 458 | 265 | 5 725 | 2 157 | 2 359 | 799 | 5 315 | 410 | 1 127 | -717 | 5 407 | 5 143 | 264 |
| 2 | 3 018 | 2 782 | 283 | 6 083 | 2 260 | 2 503 | 666 | 5 429 | 654 | 1 211 | -557 | 5 982 | 5 502 | 480 |
| 3 | 3 187 | 2 847 | 318 | 6 352 | 2 260 | 2 621 | 783 | 5 664 | 688 | 1 339 | -651 | 6 869 | 5 844 | 1 025 |
| 4 | 3 233 | 3 108 | 347 | 6 688 | 2 285 | 2 892 | 756 | 5 933 | 755 | 1 313 | -558 | 6 590 | 5 852 | 738 |
| 1979 1 | 3 348 | 3 773 | 306 | 7 427 | 2 426 | 3 330 | 831 | 6 587 | 840 | 1 520 | -680 | 7 120 | 6 380 | 740 |
| 2 | 3 464 | 4 047 | 342 | 7 853 | 2 604 | 3 902 | 833 | 7 339 | 514 | 1 200 | -686 | 7 783 | 7 388 | 395 |
| 3 | 3 661 | 4 542 | 345 | 8 548 | 2 660 | 4 082 | 954 | 7 696 | 852 | 1 621 | -769 | 9 069 | 7 944 | 1 125 |
| 4 | 3 877 | 5 161 | 358 | 9 396 | 2 842 | 5 016 | 1 012 | 8 870 | 526 | 1 341 | -815 | 9 252 | 8 780 | 472 |
| 1980 1 | 3 905 | 5 669 | 422 | 9 996 | 2 951 | 5 767 | 928 | 9 646 | 350 | 994 | -644 | 9 610 | 9 337 | 273 |
| 2 | 3 905 | 5 198 | 408 | 10 511 | 2 969 | 6 373 | 1 008 | 10 350 | 161 | 986 | -825 | 10 418 | 10 411 | 7 |
| 3 | 3 900 | 5 648 | 423 | 9 971 | 2 944 | 5 675 | 1 013 | 9 632 | 339 | 1 137 | -798 | 10 564 | 10 046 | 518 |
| 4 | 3 965 | 6 018 | 547 | 10 530 | 2 943 | 5 940 | 929 | 9 812 | 718 | 1 330 | -612 | 10 416 | 9 646 | 770 |
| 1981 1 | 4 003† | 7 126 | 982 | 12 111† | 2 991† | 6 953 | 1 148 | 11 092† | 1 019† | 1 321† | -302 | 11 763 | 10 759 | 1 004 |
| 2 | 4 139 | 8 348 | 406 | 12 893 | 3 168 | 8 038 | 1 092 | 12 298 | 595 | 1 470 | -875 | 12 789 | 12 368 | 421 |
| 3 | 4 328 | 10 162 | 497 | 14 987 | 3 428 | 9 927 | 1 268 | 14 623 | 364 | 1 361 | -997 | 15 575 | 15 096 | 479 |
| 4 | 4 414 | 11 501 | 729 | 16 644 | 3 471 | 11 270 | 1 082 | 15 823 | 821 | 1 472 | -651 | 16 508 | 15 613 | 895 |
| 1982 1 | 4 327 | 10 191 | 1 365 | 15 883 | 3 578 | 10 319† | 1 292 | 15 189 | 694 | 965 | -271 | 15 517† | 14 760† | 757 |
| 2 | 4 416 | 11 135 | 488 | 16 039 | 3 735 | 10 830 | 1 295 | 15 860 | 179 | 1 393 | -1 214 | 15 924 | 16 005 | -81 |
| 3 | 4 293 | 11 059 | 641 | 15 993 | 3 807 | 10 781 | 1 341 | 15 929 | 64 | 1 218 | -1 154 | 16 628 | 16 469 | 159† |
| 4 | 4 459 | 11 422 | 797 | 16 678 | 3 768 | 10 918 | 1 324 | 16 010 | 668 | 1 615 | -947† | 16 524 | 15 754 | 770 |
| 1983 1 | 4 848 | 11 305 | 1 221 | 17 374 | 3 870 | 10 684 | 1 310 | 15 864 | 1 510 | 1 988 | -478 | 17 003 | 15 427 | 1 576 |
| 2 | 4 885 | 9 858 | 668 | 15 411 | 3 911 | 9 612 | 1 472 | 14 995 | 416 | 1 609 | -1 193 | 15 273 | 15 045 | 228 |
| 3 | 4 922 | 10 270 | 783 | 15 975 | 4 104 | 9 328 | 1 304 | 14 736 | 1 239 | 2 164 | -925 | 16 640 | 15 312 | 1 328 |
| 4 | 4 968 | 10 633 | 864 | 16 465 | 4 084 | 10 022 | 1 554 | 15 660 | 805 | 1 936 | -1 131 | 16 309 | 15 471 | 838 |
| 1984 1 | 5 208 | 11 553† | 1 006 | 17 767 | 4 223 | 10 771 | 1 511† | 16 505 | 1 262 | 2 229 | -967 | 17 288 | 16 082 | 1 206 |
| 2 | 5 259 | 11 879 | 703 | 17 841 | 4 394 | 11 007 | 1 514 | 16 915 | 926 | 2 237 | -1 311 | 17 709 | 16 942 | 767 |
| 3 | 5 359 | 13 554 | 705 | 19 618 | 4 406 | 12 388 | 1 466 | 18 260 | 1 358 | 2 605 | -1 247 | 20 396 | 18 932 | 1 464 |
| 4 | 5 705 | 14 557 | 1 384 | 21 646 | 4 671 | 13 232 | 1 623 | 19 526 | 2 120 | 2 815 | -695 | 21 479 | 19 250 | 2 229 |
| 1985 1 | 5 924 | 14 830 | 903 | 21 657 | 4 750 | 13 899 | 1 925 | 20 574 | 1 083 | 2 645 | -1 562 | 21 144 | 20 100 | 1 044 |
| 2 | 6 130 | 13 386 | 712 | 20 228 | 4 565 | 12 678 | 1 471 | 18 714 | 1 514 | 2 816 | -1 302 | 20 096 | 18 779 | 1 317 |
| 3 | 6 000 | 12 466 | 917 | 19 383 | 4 445 | 11 345 | 1 850 | 17 640 | 1 743 | 3 265 | -1 522 | 20 278 | 18 495 | 1 783 |
| 4 | 6 151 | 11 957 | 791 | 18 899 | 4 737 | 11 780 | 1 598 | 18 115 | 784 | 2 163 | -1 379 | 18 649 | 17 669 | 980 |
| 1986 1 | 6 025 | 11 895 | 1 001† | 18 921 | 4 815 | 11 091 | 1 106 | 17 012 | 1 909 | 2 658 | -749 | 18 478 | 16 529 | 1 949 |
| 2 | 6 136 | 11 247 | 973 | 18 356 | 4 939 | 10 367 | 1 593 | 16 899 | 1 457 | 2 662 | -1 205 | 18 290 | 16 855 | 1 435 |
| 3 | 6 370 | 11 884 | 958 | 19 212 | 4 938 | 10 554 | 1 778 | 17 270 | 1 942 | 3 356 | -1 414 | 20 016 | 18 197 | 1 819 |
| 4 | 6 536 | 12 093 | 762 | 19 391 | 5 056 | 10 851 | 1 638 | 17 545 | 1 846 | 3 338 | -1 492 | 19 096 | 17 145 | 1 951 |

# SERVICES

## TABLE 5

£ million

Private sector and public corporations

| | Sea transport | | | Civil aviation | | | Travel | | | Financial and other services | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Credits | Debits | Balance | Credits | Debits | Balance | Credits | Debits | Balance | Credits | Debits | Balance |
| | CGJW | CGGW | HBTO | CGJO | CGGG | HDJA | CGKA | CGHA | HBYE | HHDE | HBVH | HHCW |
| 1975 | 2 651 | 2 562 | 89 | 780 | 675 | 105 | 1 218 | 917 | 301 | 2 888 | 1 478 | 1 410 |
| 1976 | 3 233 | 3 155 | 78 | 1 049 | 840 | 209 | 1 788 | 1 068 | 700 | 3 754 | 1 844 | 1 910 |
| 1977 | 3 433 | 3 345 | 88 | 1 203 | 984 | 219 | 2 352 | 1 186 | 1 166 | 4 396 | 2 131 | 2 265 |
| 1978 | 3 149 | 3 162 | -13 | 1 455 | 1 176 | 279 | 2 507 | 1 549 | 958 | 5 075 | 2 088 | 2 987 |
| 1979 | 3 804 | 3 677 | 127 | 1 755 | 1 467 | 288 | 2 797 | 2 109 | 688 | 5 726 | 2 205 | 3 521 |
| 1980 | 3 816 | 3 675 | 141 | 2 210 | 1 815 | 395 | 2 961 | 2 738 | 223 | 6 371 | 2 413 | 3 958 |
| 1981 | 3 784 | 3 944 | -160 | 2 359 | 1 922 | 437 | 2 970 | 3 271 | -301 | 7 364 | 2 655 | 4 709 |
| 1982 | 3 267 | 3 890 | -623 | 2 471 | 2 146 | 325 | 3 188 | 3 640 | -452 | 8 162 | 3 456 | 4 706 |
| 1983 | 3 054 | 4 067 | -1 013 | 2 665 | 2 354 | 311 | 4 003 | 4 088† | -85† | 9 428 | 3 937 | 5 491 |
| 1984 | 3 254 | 4 386 | -1 132 | 2 931 | 2 683 | 248 | 4 614 | 4 666 | -52 | 10 258† | 4 304† | 5 954† |
| 1985 | 3 276 | 4 436 | -1 160 | 3 188 | 2 886 | 302 | 5 451 | 4 877 | 574 | 11 805 | 4 516 | 7 289 |
| 1986 | 3 019† | 4 246† | -1 227† | 2 937† | 3 152† | -215† | 5 457† | 5 996 | -539 | 13 147 | 4 478 | 8 669 |
| **Unadjusted** | | | | | | | | | | | | |
| 1982 1 | 794 | 950 | -156 | 483 | 455 | 28 | 516† | 532 | -16† | 2 029 | 813 | 1 216 |
| 2 | 884 | 1 035 | -171 | 563 | 530 | 33 | 793 | 881 | -88 | 1 952 | 823 | 1 129 |
| 3 | 832 | 984 | -152 | 770 | 651 | 119 | 1 190 | 1 508 | -318 | 2 093 | 919 | 1 174 |
| 4 | 777 | 921 | -144 | 655 | 510 | 145 | 689 | 719 | -30 | 2 088 | 901 | 1 187 |
| 1983 1 | 728 | 1 006 | -278 | 525 | 509 | 16 | 653 | 600† | 53 | 2 381 | 910 | 1 471 |
| 2 | 725 | 984 | -259 | 629 | 591 | 38 | 943 | 967 | -24 | 2 321 | 971 | 1 350 |
| 3 | 813 | 1 060 | -247 | 823 | 702 | 121 | 1 496 | 1 726 | -230 | 2 431 | 1 005 | 1 426 |
| 4 | 788 | 1 017 | -229 | 688 | 552 | 136 | 911 | 795 | 116 | 2 295 | 1 051 | 1 244 |
| 1984 1 | 739 | 1 058 | -319 | 561 | 540 | 21 | 727 | 715 | 12 | 2 581 | 1 026 | 1 555 |
| 2 | 807 | 1 078 | -271 | 693 | 637 | 56 | 1 075 | 1 184 | -109 | 2 464† | 1 073† | 1 391† |
| 3 | 885 | 1 080 | -195 | 901 | 831 | 70 | 1 751 | 1 835 | -84 | 2 549 | 1 094 | 1 455 |
| 4 | 823 | 1 170 | -347 | 776 | 675 | 101 | 1 061 | 932 | 129 | 2 664 | 1 111 | 1 553 |
| 1985 1 | 787 | 1 169 | -382 | 648 | 629 | 19 | 903 | 846 | 57 | 2 957 | 1 113 | 1 844 |
| 2 | 861 | 1 164 | -303 | 805 | 726 | 79 | 1 331 | 1 153 | 178 | 2 879 | 1 126 | 1 753 |
| 3 | 842 | 1 048 | -206 | 963 | 835 | 128 | 2 067 | 1 880 | 187 | 2 968 | 1 113 | 1 855 |
| 4 | 786 | 1 055 | -269 | 772 | 696 | 76 | 1 150 | 998 | 152 | 3 001 | 1 164 | 1 837 |
| 1986 1 | 719 | 1 006 | -287 | 629 | 670 | -41 | 912 | 896 | 16 | 3 182 | 1 141 | 2 041 |
| 2 | 816† | 1 100 | -284† | 696 | 791† | -95† | 1 250 | 1 456 | -206 | 3 199 | 1 115 | 2 084 |
| 3 | 749 | 1 049† | -300 | 884 | 909 | -25 | 2 055 | 2 539 | -484 | 3 457 | 1 087 | 2 370 |
| 4 | 735 | 1 091 | -356 | 726† | 782 | -54 | 1 240 | 1 105 | 135 | 3 309 | 1 135 | 2 174 |
| **Seasonally adjusted** | CGKP | CGHR | HHCS | CGKE | CGHF | HHCT | CGKU | CGHW | HHCU | HHDD | CGHN | HHCV |
| 1982 1 | 830 | 960 | -130 | 599 | 519† | 80† | 763† | 858† | -95† | 2 022 | 835 | 1 187 |
| 2 | 849 | 1 018 | -169 | 605 | 528 | 77 | 836 | 889 | -53 | 2 009 | 837 | 1 172 |
| 3 | 795 | 957 | -162 | 623 | 543 | 80 | 786 | 942 | -156 | 2 007 | 908 | 1 099 |
| 4 | 793 | 955 | -162 | 644 | 556 | 88 | 803 | 951 | -148 | 2 124 | 876 | 1 248 |
| 1983 1 | 781 | 1 015 | -254 | 653 | 580 | 73 | 954 | 960 | -6 | 2 361 | 924 | 1 437 |
| 2 | 715 | 962 | -247 | 670 | 589 | 81 | 982 | 993 | -11 | 2 384 | 1 002 | 1 382 |
| 3 | 776 | 1 042 | -266 | 668 | 585 | 83 | 1 003 | 1 097 | -94 | 2 349 | 998 | 1 351 |
| 4 | 802 | 1 048 | -246 | 674 | 600 | 74 | 1 064 | 1 038 | 26 | 2 334 | 1 013 | 1 321 |
| 1984 1 | 773 | 1 065 | -292 | 700 | 617 | 83 | 1 073 | 1 104 | -31 | 2 556† | 1 040 | 1 516† |
| 2 | 798 | 1 051 | -253 | 728 | 644 | 84 | 1 122 | 1 192 | -70 | 2 518 | 1 093† | 1 425 |
| 3 | 843 | 1 064 | -221 | 741 | 697 | 44 | 1 179 | 1 145 | 34 | 2 466 | 1 081 | 1 385 |
| 4 | 840 | 1 206 | -366 | 762 | 725 | 37 | 1 240 | 1 225 | 15 | 2 718 | 1 090 | 1 628 |
| 1985 1 | 824 | 1 174 | -350 | 805 | 715 | 90 | 1 327 | 1 275 | 52 | 2 852 | 1 129 | 1 723 |
| 2 | 851 | 1 132 | -281 | 842 | 732 | 110 | 1 388 | 1 147 | 241 | 2 935 | 1 139 | 1 796 |
| 3 | 802 | 1 036 | -234 | 780 | 693 | 87 | 1 382 | 1 155 | 227 | 2 917 | 1 094 | 1 823 |
| 4 | 799 | 1 094 | -295 | 761 | 746 | 15 | 1 354 | 1 300 | 54 | 3 101 | 1 154 | 1 947 |
| 1986 1 | 751† | 1 012 | -261† | 776† | 764 | 12 | 1 332 | 1 378 | -46 | 3 032 | 1 145 | 1 887 |
| 2 | 796 | 1 069† | -273 | 722 | 796 | -74 | 1 294 | 1 519 | -225 | 3 224 | 1 124 | 2 100 |
| 3 | 718 | 1 039 | -321 | 720 | 748 | -28 | 1 369 | 1 637 | -268 | 3 443 | 1 075 | 2 368 |
| 4 | 754 | 1 126 | -372 | 719 | 844 | -125 | 1 462 | 1 462 | - | 3 448 | 1 134 | 2 314 |

# SERVICES

**TABLE 5 (continued)**

£ million

| | | Private sector and public corporations | | | General government | | | | | Total services | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | All services | | | Credits from EC institutions | Other credits | Total credits | Debits | Balance | Credits | Debits | Balance |
| | | Credits | Debits | Balance | | | | | | | | |
| | | CGJU | CGGU | CGIL | CGPJ | CGPK | CGJR | CGGI | CGIG | CGJZ | CGGZ | CGIN |
| 1975 | | 7 537 | 5 632 | 1 905 | 34 | 106 | 140 | 709 | -569 | 7 677 | 6 341 | 1 336 |
| 1976 | | 9 804 | 6 907 | 2 897 | 46 | 169 | 215 | 867 | -652 | 10 019 | 7 774 | 2 245 |
| 1977 | | 11 384 | 7 646 | 3 738 | 78 | 163 | 241 | 941 | -700 | 11 625 | 8 587 | 3 038 |
| 1978 | | 12 186 | 7 975 | 4 211 | 94 | 160 | 254 | 987 | -733 | 12 440 | 8 962 | 3 478 |
| 1979 | | 14 082 | 9 458 | 4 624 | 115 | 153 | 268 | 1 074 | -806 | 14 350 | 10 532 | 3 818 |
| 1980 | | 15 358 | 10 641 | 4 717 | 112 | 205 | 317 | 1 166 | -849 | 15 675 | 11 807 | 3 868 |
| 1981 | | 16 477 | 11 782 | 4 695 | 122 | 285 | 407 | 1 266 | -859 | 16 884 | 13 058 | 3 826 |
| 1982 | | 17 088 | 13 132 | 3 956 | 150 | 257 | 407 | 1 756 | -1 349 | 17 495 | 14 888 | 2 607 |
| 1983 | | 19 150 | 14 446† | 4 704† | 148 | 325 | 473 | 1 523 | -1 050 | 19 623 | 15 969† | 3 654† |
| 1984 | | 21 057† | 16 039 | 5 018 | 186 | 288 | 474 | 1 655 | -1 181 | 21 531† | 17 694 | 3 837 |
| 1985 | | 23 720 | 16 715 | 7 005 | 157 | 328 | 485 | 1 782 | -1 297 | 24 205 | 18 497 | 5 708 |
| 1986 | | 24 580 | 17 872 | 6 688 | 157† | 350† | 507† | 1 876† | -1 369† | 25 067 | 19 748 | 5 319 |
| Unadjusted | | | | | | | | | | | | |
| 1982 | 1 | 3 822† | 2 750 | 1 072† | 42 | 101 | 143 | 406 | -263 | 3 965† | 3 156 | 809† |
| | 2 | 4 172 | 3 269 | 903 | 36 | 58 | 94 | 463 | -369 | 4 266 | 3 732 | 534 |
| | 3 | 4 885 | 4 062 | 823 | 38 | 42† | 79 | 457 | -378 | 4 964 | 4 519 | 445 |
| | 4 | 4 209 | 3 051 | 1 158 | 34 | 56 | 91 | 430 | -339 | 4 300 | 3 481 | 819 |
| 1983 | 1 | 4 287 | 3 025† | 1 262 | 37 | 123 | 160 | 391 | -231 | 4 447 | 3 416† | 1 031 |
| | 2 | 4 618 | 3 513 | 1 105 | 32 | 74 | 106 | 365 | -259 | 4 724 | 3 878 | 846 |
| | 3 | 5 563 | 4 493 | 1 070 | 51 | 69 | 120 | 382 | -262 | 5 683 | 4 875 | 808 |
| | 4 | 4 682 | 3 415 | 1 267 | 28 | 59 | 87 | 385 | -298 | 4 769 | 3 800 | 969 |
| 1984 | 1 | 4 608 | 3 339 | 1 269 | 41 | 98 | 139 | 397 | -258 | 4 747 | 3 736 | 1 011 |
| | 2 | 5 039 | 3 972 | 1 067 | 38 | 39 | 77 | 414 | -337 | 5 116 | 4 386 | 730 |
| | 3 | 6 086 | 4 840 | 1 246 | 46 | 75 | 121 | 419 | -298 | 6 207 | 5 259 | 948 |
| | 4 | 5 324 | 3 888 | 1 436 | 61 | 76 | 137 | 425 | -288 | 5 461 | 4 313 | 1 148 |
| 1985 | 1 | 5 295 | 3 757 | 1 538 | 38 | 118 | 156 | 457 | -301 | 5 451 | 4 214 | 1 237 |
| | 2 | 5 876 | 4 169 | 1 707 | 39 | 53 | 92 | 415 | -323 | 5 968 | 4 584 | 1 384 |
| | 3 | 6 840 | 4 876 | 1 964 | 40 | 71 | 111 | 467 | -356 | 6 951 | 5 343 | 1 608 |
| | 4 | 5 709 | 3 913 | 1 796 | 40 | 86 | 126 | 443 | -317 | 5 835 | 4 356 | 1 479 |
| 1986 | 1 | 5 442 | 3 713 | 1 729 | 31 | 149 | 180† | 516† | -336† | 5 622 | 4 229 | 1 393 |
| | 2 | 5 961 | 4 462 | 1 499 | 50 | 34 | 84 | 431 | -347 | 6 045 | 4 893 | 1 152 |
| | 3 | 7 145 | 5 584 | 1 561 | 29 | 77 | 106 | 439 | -333 | 7 251 | 6 023 | 1 228 |
| | 4 | 6 012 | 4 113 | 1 899 | 47† | 90 | 137 | 490 | -353 | 6 149 | 4 603 | 1 546 |
| Seasonally adjusted | | CGKN | CGHP | CGIT | | CGPO | CGKK | CGHH | CGIP | CGKS | CGHU | AIMC |
| 1982 | 1 | 4 214† | 3 172† | 1 042† | 42 | 71 | 113 | 406 | -293 | 4 327† | 3 578† | 749† |
| | 2 | 4 299 | 3 272 | 1 027 | 36 | 81 | 117 | 463 | -346 | 4 416 | 3 735 | 681 |
| | 3 | 4 211 | 3 350 | 861 | 38 | 44 | 82 | 457 | -375 | 4 293 | 3 807 | 486 |
| | 4 | 4 364 | 3 338 | 1 026 | 34 | 61 | 95 | 430 | -335 | 4 459 | 3 768 | 691 |
| 1983 | 1 | 4 729 | 3 479 | 1 250 | 37 | 82 | 119 | 391 | -272 | 4 848 | 3 870 | 978 |
| | 2 | 4 751 | 3 546 | 1 205 | 32 | 102 | 134 | 365 | -231 | 4 885 | 3 911 | 974 |
| | 3 | 4 796 | 3 722 | 1 074 | 51 | 75 | 126 | 382 | -256 | 4 922 | 4 104 | 818 |
| | 4 | 4 874 | 3 699 | 1 175 | 28 | 66 | 94 | 385 | -291 | 4 968 | 4 084 | 884 |
| 1984 | 1 | 5 102 | 3 826 | 1 276 | 41 | 65 | 106 | 397 | -291 | 5 208 | 4 223 | 985 |
| | 2 | 5 166 | 3 980 | 1 186 | 38 | 55 | 93 | 414 | -321 | 5 259 | 4 394 | 865 |
| | 3 | 5 229 | 3 987 | 1 242 | 46 | 84 | 130 | 419 | -289 | 5 359 | 4 406 | 953 |
| | 4 | 5 560 | 4 246 | 1 314 | 61 | 84 | 145 | 425 | -280 | 5 705 | 4 671 | 1 034 |
| 1985 | 1 | 5 808 | 4 293 | 1 515 | 38 | 78 | 116 | 457 | -341 | 5 924 | 4 750 | 1 174 |
| | 2 | 6 016 | 4 150 | 1 866 | 39 | 75 | 114 | 415 | -301 | 6 130 | 4 565 | 1 565 |
| | 3 | 5 881 | 3 978 | 1 903 | 40 | 79 | 119 | 467 | -348 | 6 000 | 4 445 | 1 555 |
| | 4 | 5 015 | 4 294 | 1 721 | 40 | 96 | 136 | 443 | -307 | 6 151 | 4 737 | 1 414 |
| 1986 | 1 | 5 891 | 4 299 | 1 592 | 31 | 103† | 134† | 516† | -382† | 6 025 | 4 815 | 1 210 |
| | 2 | 6 036 | 4 508 | 1 528 | 50 | 50 | 100 | 431 | -331 | 6 136 | 4 939 | 1 197 |
| | 3 | 6 250 | 4 499 | 1 751 | 29 | 91 | 120 | 439 | -319 | 6 370 | 4 938 | 1 432 |
| | 4 | 6 383 | 4 566 | 1 817 | 47† | 106 | 153 | 490 | -337 | 6 536 | 5 056 | 1 480 |

# INTEREST,PROFITS AND DIVIDENDS: CREDITS

TABLE 6

£ million

Credits - earnings on:

| | | Direct investment | Portfolio investment by: UK banks | Portfolio investment by: Other UK residents | Total portfolio investment | Lending etc to overseas residents by UK banks | of which: identified foreign currency lending | Deposits and lending overseas by UK residents other than banks and general government: Transactions with banks abroad | Deposits and lending overseas by UK residents other than banks and general government: Other assets | Official reserves | Other external assets of central government | Total credits | of which: Private sector and public corporations | of which: General government |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | HHBY | HESH | HHHR | CGNV | HERG | HHIJ | HERH | HERJ | HHCB | HERI | CGJS | CGNT | CGNR |
| 1975 | | 1 953 | 10 | 261 | 271 | 4 000 | 3 734 | - | 74 | 182 | 83 | 6 563 | 6 297 | 266 |
| 1976 | | 2 857 | 10 | 303 | 313 | 4 758 | 4 423 | 115 | 83 | 137 | 116 | 8 379 | 8 126 | 253 |
| 1977 | | 2 834 | 20 | 308 | 328 | 5 022 | 4 731 | 142 | 80 | 233 | 150 | 8 789 | 8 405 | 384 |
| 1978 | | 3 215 | 40 | 360 | 400 | 6 560 | 6 180 | 231 | 97 | 536 | 156 | 11 195 | 10 504 | 691 |
| 1979 | | 5 819 | 50 | 490 | 540 | 9 815 | 9 298 | 370 | 163 | 853 | 163 | 17 523 | 16 707 | 816 |
| 1980 | | 5 052 | 80 | 670 | 750 | 16 055 | 15 292 | 518 | 214 | 799 | 145 | 23 533 | 22 590 | 943 |
| 1981 | | 5 429 | 200 | 790 | 990 | 28 786 | 27 609 | 732 | 253 | 857 | 90 | 37 137 | 36 189 | 948 |
| 1982 | | 4 776 | 350 | 1 280 | 1 630 | 34 713 | 33 208 | 1 007 | 868 | 781 | 54 | 43 807 | 42 991 | 816 |
| 1983 | | 6 169 | 839 | 1 817 | 2 656 | 30 962 | 29 208 | 914 | 749 | 588 | 28 | 42 086 | 41 450 | 616 |
| 1984 | | 7 748† | 1 420 | 2 339† | 3 759† | 37 115 | 34 884 | 1 356 | 959 | 587 | 19 | 51 543† | 50 937† | 606 |
| 1985 | | 7 965 | 2 300 | 2 823 | 5 123 | 36 372 | 33 138 | 1 589† | 1 031† | 538 | 22 | 52 639 | 52 079 | 560 |
| 1986 | | 6 936 | 2 620† | 3 741 | 6 361 | 31 100† | 28 155† | 1 280 | 825 | 608† | 9† | 47 119 | 46 503 | 616† |
| **Unadjusted** | | | | | | | | | | | | | | |
| 1982 | 1 | 1 109 | 98 | 252 | 350 | 8 054 | 7 665 | 266 | 222 | 157 | 19 | 10 177 | 10 000 | 177 |
| | 2 | 1 156 | 65 | 291 | 356 | 8 933 | 8 552 | 274 | 228 | 267 | 13 | 11 226 | 10 947 | 279 |
| | 3 | 1 116 | 84 | 352 | 446 | 8 836 | 8 477 | 243 | 215 | 164 | 11 | 11 032 | 10 856 | 176 |
| | 4 | 1 395 | 93 | 385 | 478 | 8 890 | 8 514 | 224 | 201 | 173 | 11 | 11 372 | 11 188 | 184 |
| 1983 | 1 | 1 393 | 244 | 412 | 656† | 8 707 | 8 247 | 230 | 193 | 136 | 11 | 11 326 | 11 179 | 147 |
| | 2 | 1 429 | 160 | 436† | 596 | 7 325 | 6 893 | 212 | 176 | 200 | 5 | 9 943† | 9 737† | 206 |
| | 3 | 1 798 | 226 | 473 | 699 | 7 159 | 6 735 | 224 | 185 | 113 | 8 | 10 184 | 10 065 | 119 |
| | 4 | 1 549 | 209 | 496 | 705 | 7 771 | 7 333 | 248 | 195 | 139 | 6 | 10 613 | 10 469 | 144 |
| 1984 | 1 | 1 965 | 239 | 541 | 780 | 8 144 | 7 644 | 280 | 216 | 138 | 8 | 11 529 | 11 385 | 144 |
| | 2 | 1 706 | 288 | 552 | 840 | 8 691 | 8 142 | 307 | 234 | 172 | 4 | 11 954 | 11 778 | 176 |
| | 3 | 2 145 | 395 | 594 | 989 | 9 603 | 9 022 | 367 | 249 | 130 | 5 | 13 488 | 13 352 | 136 |
| | 4 | 1 932† | 498 | 652 | 1 150 | 10 677 | 10 076 | 402 | 260 | 147 | 4 | 14 572 | 14 422 | 150 |
| 1985 | 1 | 2 385 | 650 | 721 | 1 371 | 10 143 | 9 377 | 449 | 286† | 144 | 7 | 14 785 | 14 634 | 151 |
| | 2 | 2 164 | 582 | 721 | 1 303 | 9 219 | 8 429 | 401 | 257 | 131 | 5 | 13 479 | 13 343 | 136 |
| | 3 | 1 987 | 548 | 692 | 1 240 | 8 453 | 7 598 | 377† | 248 | 123 | 6 | 12 414 | 12 285 | 129 |
| | 4 | 1 449 | 520 | 689 | 1 209 | 8 557 | 7 734 | 362 | 240 | 140 | 4 | 11 961 | 11 817 | 144 |
| 1986 | 1 | 1 585 | 614 | 803 | 1 417 | 8 122† | 7 391† | 350 | 225 | 150 | 3† | 11 852 | 11 700 | 152† |
| | 2 | 1 681 | 617† | 894 | 1 511 | 7 485 | 6 740 | 303 | 203 | 152 | 2 | 11 337 | 11 183 | 154 |
| | 3 | 1 886 | 675 | 990 | 1 665 | 7 606 | 6 899 | 302 | 202 | 151 | 3 | 11 815 | 11 661 | 154 |
| | 4 | 1 784 | 714 | 1 054 | 1 768 | 7 887 | 7 125 | 325 | 195 | 155† | 1 | 12 115 | 11 959 | 156 |
| **Seasonally adjusted** | | HHBZ | HHAS | HHHS | CGGS | HHHQ | | | | HHCC | HHHW | CGKL | CGMI | CGMG |
| 1982 | 1 | 1 125 | 65 | 258 | 323 | 8 052 | 7 665 | 266 | 222 | 185 | 18 | 10 191 | 9 987 | 204 |
| | 2 | 1 122 | 77 | 295 | 372 | 8 935 | 8 552 | 274 | 228 | 191 | 13 | 11 135 | 10 931 | 204 |
| | 3 | 1 126 | 89 | 338 | 427 | 8 848 | 8 477 | 243 | 215 | 188 | 12 | 11 059 | 10 859 | 200 |
| | 4 | 1 403 | 119 | 389 | 508 | 8 878 | 8 514 | 224 | 201 | 197 | 11 | 11 422 | 11 214 | 208 |
| 1983 | 1 | 1 417 | 171 | 412† | 584 | 8 704 | 8 247 | 230 | 193 | 167 | 10 | 11 305 | 11 128 | 177 |
| | 2 | 1 372 | 195 | 436 | 630 | 7 328 | 6 893 | 212 | 176 | 134 | 6 | 9 858 | 9 718 | 140 |
| | 3 | 1 841 | 225 | 473 | 698† | 7 172 | 6 735 | 224 | 185 | 144 | 6 | 10 270 | 10 120 | 150 |
| | 4 | 1 539 | 248 | 496 | 744 | 7 758 | 7 333 | 248 | 195 | 143 | 6 | 10 633 | 10 484 | 149 |
| 1984 | 1 | 2 004 | 239 | 541 | 780 | 8 129 | 7 644 | 280 | 216 | 138 | 6 | 11 553† | 11 409† | 144 |
| | 2 | 1 830 | 288 | 552 | 840 | 8 694 | 8 142 | 307 | 234 | 172 | 2 | 11 879 | 11 704 | 175 |
| | 3 | 2 193 | 395 | 594 | 989 | 9 619 | 9 022 | 367 | 249 | 130 | 7 | 13 554 | 13 417 | 137 |
| | 4 | 1 921† | 498 | 652 | 1 150 | 10 673 | 10 076 | 402 | 260 | 147 | 4 | 14 557 | 14 407 | 150 |
| 1985 | 1 | 2 431 | 650 | 721 | 1 371 | 10 143 | 9 377 | 449 | 286† | 144 | 6 | 14 830 | 14 679 | 151 |
| | 2 | 2 072 | 582 | 721 | 1 303 | 9 219 | 8 429 | 401 | 257 | 131 | 4 | 13 386 | 13 251 | 135 |
| | 3 | 2 017 | 548 | 692 | 1 240 | 8 453 | 7 598 | 377† | 248 | 123 | 8 | 12 466 | 12 335 | 131 |
| | 4 | 1 445 | 520 | 689 | 1 209 | 8 557 | 7 734 | 362 | 240 | 140 | 4 | 11 957 | 11 814 | 143 |
| 1986 | 1 | 1 628 | 614 | 803 | 1 417 | 8 122† | 7 391† | 350 | 225 | 150 | 3† | 11 895 | 11 743 | 152† |
| | 2 | 1 591 | 617† | 894 | 1 511 | 7 485 | 6 740 | 303 | 203 | 152 | 2 | 11 247 | 11 093 | 154 |
| | 3 | 1 955 | 675 | 990 | 1 665 | 7 606 | 6 899 | 302 | 202 | 151 | 3 | 11 884 | 11 730 | 154 |
| | 4 | 1 762 | 714 | 1 054 | 1 768 | 7 887 | 7 125 | 325 | 195 | 155† | 1 | 12 093 | 11 937 | 156 |

# INTEREST,PROFITS AND DIVIDENDS: DEBITS AND BALANCE

TABLE 6 (continued)

£ million

| | Debits: earnings on: | | | | | | | | | | Balance of IPD | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Direct investment | | | | | | Borrowing from overseas by UK residents other than banks and general government | | Other external liabilities of general government | | of which: | | |
| | Non-oil companies | Oil companies' and misc. | Total direct investment | Portfolio investment | Overseas borrowing by UK banks: Foreign currency | Overseas borrowing by UK banks: Sterling | Transactions with banks abroad | Other liabilities | | Total debits | Private sector and public corporations | General government | Private sector and public corporations | General government | Total |
| | CGNX | HHCF | HHCH | HERN | HHID | HHIE | HERO | HERQ | HERR | CGGK | HHII | HERS | CGQD | HERV | CGOA |
| 1975 | 625 | -21 | 604 | 426 | 3 801 | 354 | 175 | 46 | 267 | 5 673 | 5 182 | 491 | 1 115 | -225 | 890 |
| 1976 | 1 040 | -73 | 967 | 509 | 4 487 | 341 | 232 | 58 | 235 | 6 829 | 6 351 | 478 | 1 775 | -225 | 1 550 |
| 1977 | 1 432 | 569 | 2 001 | 670 | 4 924 | 308 | 324 | 59 | 265 | 8 551 | 7 986 | 565 | 419 | -181 | 238 |
| 1978 | 1 526 | 707 | 2 233 | 782 | 6 183† | 343 | 513 | 71 | 250 | 10 375 | 9 725 | 650 | 779 | 41 | 820 |
| 1979 | 2 077 | 1 919 | 3 996 | 843 | 9 717 | 720 | 714 | 90 | 250 | 16 330 | 15 649 | 681 | 1 058 | 135 | 1 193 |
| 1980 | 1 873 | 2 900 | 4 773 | 1 083 | 15 324 | 1 203 | 1 018 | 82 | 272 | 23 755 | 22 860 | 895 | -270 | 48 | -222 |
| 1981 | 1 961 | 2 741 | 4 702 | 1 211 | 27 156 | 1 528 | 1 280 | 81 | 230 | 36 188 | 35 250 | 938 | 939 | 10 | 949 |
| 1982 | 2 146 | 2 586 | 4 732 | 1 336† | 32 933 | 1 878 | 1 520 | 156 | 293 | 42 848† | 41 756 | 1 092† | 1 235 | -276† | 959† |
| 1983 | 2 418 | 2 958 | 5 376 | 1 374 | 28 894 | 2 028 | 1 503 | 166 | 305 | 39 646 | 38 457 | 1 189 | 2 993 | -573 | 2 420 |
| 1984 | 2 935† | 3 519 | 6 454† | 1 541 | 34 697 | 2 288 | 1 859 | 224 | 335 | 47 398 | 46 069† | 1 329 | 4 868† | -723 | 4 145 |
| 1985 | 3 532 | 4 170 | 7 702 | 1 810 | 34 333 | 3 546 | 1 732† | 275† | 304 | 49 702 | 48 195 | 1 507 | 3 884 | -947 | 2 937 |
| 1986 | 3 707 | 1 942† | 5 649 | 2 308 | 29 127 | 3 551† | 1 668 | 264 | 296† | 42 863 | 41 177 | 1 686 | 5 326 | -1 070 | 4 256 |
| Unadjusted | | | | | | | | | | | | | | | |
| 1982 1 | 591 | 603 | 1 194 | 325† | 7 843 | 389 | 377 | 38 | 18 | 10 184† | 9 955 | 229† | 45 | -52† | -7† |
| 2 | 566 | 578 | 1 144 | 366 | 8 333 | 518 | 427 | 40 | 184 | 11 012 | 10 646 | 366 | 301 | -87 | 214 |
| 3 | 475 | 600 | 1 075 | 360 | 8 353 | 467 | 347 | 40 | 18 | 10 660 | 10 402 | 258 | 454 | -82 | 372 |
| 4 | 514 | 805 | 1 319 | 285 | 8 404 | 504 | 369 | 38 | 73 | 10 992 | 10 753 | 239 | 435 | -55 | 380 |
| 1983 1 | 575 | 530 | 1 105 | 351 | 8 227 | 471 | 342 | 41 | 21 | 10 557 | 10 290 | 267 | 889 | -120 | 769 |
| 2 | 689 | 823 | 1 512 | 359 | 6 761 | 528 | 381 | 39 | 157 | 9 737 | 9 373 | 364 | 364† | -158 | 206 |
| 3 | 611 | 589 | 1 200 | 368 | 6 743 | 470 | 351 | 42 | 20 | 9 194 | 8 926 | 268 | 1 139 | -149 | 990 |
| 4 | 543 | 1 016 | 1 559 | 296 | 7 163 | 559 | 429 | 44 | 107 | 10 158 | 9 868 | 290 | 601 | -146 | 455 |
| 1984 1 | 703 | 1 143 | 1 846 | 388 | 7 479 | 479 | 402 | 52 | 50 | 10 696 | 10 364 | 332 | 1 021 | -188 | 833 |
| 2 | 765† | 841 | 1 606† | 398 | 7 927 | 517 | 478 | 51 | 94 | 11 071 | 10 752† | 319 | 1 026 | -143 | 883 |
| 3 | 651 | 720 | 1 371 | 431 | 9 327 | 545 | 474 | 61 | 62† | 12 271 | 11 915 | 356 | 1 437 | -220 | 1 217 |
| 4 | 816 | 815 | 1 631 | 324 | 9 964 | 747 | 505 | 60 | 129 | 13 360 | 13 038 | 322 | 1 384 | -172 | 1 212 |
| 1985 1 | 908 | 1 441 | 2 349 | 439 | 9 716 | 717 | 457 | 67 | 65 | 13 810 | 13 424 | 386 | 1 210 | -235 | 975 |
| 2 | 1 033 | 923 | 1 956 | 431 | 8 889 | 880 | 449 | 72† | 73 | 12 750 | 12 422 | 328 | 921 | -192 | 729 |
| 3 | 654 | 753 | 1 407 | 515 | 7 946 | 984 | 389† | 68 | 56 | 11 365 | 10 952 | 413 | 1 333 | -284 | 1 049 |
| 4 | 937 | 1 053 | 1 990 | 425 | 7 782 | 965 | 437 | 68 | 110 | 11 777 | 11 397 | 380 | 420 | -236 | 184 |
| 1986 1 | 833 | 725† | 1 558 | 582 | 7 478† | 892 | 406 | 65 | 62 | 11 042 | 10 573 | 469 | 1 127 | -317 | 810 |
| 2 | 995 | 468 | 1 463 | 518 | 6 991 | 899† | 397 | 62 | 64 | 10 395 | 10 053 | 342 | 1 130 | -188 | 942 |
| 3 | 883 | 291 | 1 174 | 659 | 7 236 | 879 | 393 | 64 | 54 | 10 459 | 9 988 | 471 | 1 673 | -317 | 1 356 |
| 4 | 998 | 458 | 1 454 | 549 | 7 422 | 881 | 472 | 73 | 116 | 10 967 | 10 563 | 404 | 1 396 | -248 | 1 148 |
| Seasonally adjusted | CGEU | | HHCI | HHIA | HHIV | HHIH | HHHX | HHHZ | HHHY | CGHJ | HHHK | HHHL | CGMW | HHHM | AIMD |
| 1982 1 | 607 | 603 | 1 210 | 328† | 7 843 | 431 | 400 | 38 | 71 | 10 319† | 10 064† | 255 | -77† | -51 | -128† |
| 2 | 583 | 578 | 1 141 | 325 | 8 333 | 509 | 406 | 41 | 75 | 10 830 | 10 565 | 265 | 366 | -61 | 305 |
| 3 | 500 | 600 | 1 100 | 333 | 8 353 | 514 | 370 | 40 | 71 | 10 781 | 10 502 | 279 | 357 | -79 | 278 |
| 4 | 476 | 805 | 1 281 | 352 | 8 404 | 424 | 344 | 37 | 76 | 10 918 | 10 625 | 293† | 589 | -85† | 504 |
| 1983 1 | 587 | 530 | 1 117 | 340 | 8 227 | 513 | 371 | 41 | 75 | 10 684 | 10 390 | 294 | 738 | -117 | 621 |
| 2 | 693 | 823 | 1 516 | 341 | 6 761 | 523 | 355 | 39 | 77 | 9 612 | 9 314 | 298 | 404 | -158 | 246 |
| 3 | 640 | 589 | 1 229 | 352 | 6 743 | 511 | 376 | 42 | 75 | 9 328 | 9 030 | 298 | 1 090 | -148 | 942 |
| 4 | 498 | 1 016 | 1 514 | 341 | 7 163 | 481 | 401 | 44 | 78 | 10 022 | 9 723 | 299 | 761 | -150 | 611 |
| 1984 1 | 718 | 1 143 | 1 861 | 371 | 7 479 | 513 | 425 | 53 | 69 | 10 771 | 10 456 | 315 | 953 | -171 | 782 |
| 2 | 723† | 841 | 1 564† | 388 | 7 927 | 517 | 456 | 51 | 104 | 11 007 | 10 653 | 354 | 1 051 | -179 | 872 |
| 3 | 708 | 720 | 1 428 | 401 | 9 327 | 595 | 496 | 61 | 80 | 12 388 | 12 054 | 334 | 1 363 | -197 | 1 166 |
| 4 | 786 | 815 | 1 601 | 381 | 9 964 | 663 | 482 | 59 | 82 | 13 232 | 12 906 | 326 | 1 501 | -176 | 1 325 |
| 1985 1 | 932 | 1 441 | 2 373 | 395 | 9 716 | 790 | 476 | 67 | 82 | 13 899 | 13 549 | 350 | 1 130 | -199 | 931 |
| 2 | 973 | 923 | 1 896 | 443 | 8 889 | 870 | 430† | 72 | 78 | 12 678 | 12 301 | 377 | 950 | -242 | 708 |
| 3 | 722 | 753 | 1 475 | 453 | 7 946 | 920 | 411 | 68 | 72 | 11 345 | 10 973 | 372 | 1 362 | -241 | 1 121 |
| 4 | 905 | 1 053 | 1 958 | 519 | 7 782 | 966 | 415 | 68† | 72 | 11 780 | 11 372 | 408 | 442 | -265 | 177 |
| 1986 1 | 851 | 725† | 1 576 | 524 | 7 478† | 948† | 422 | 65 | 78† | 11 091 | 10 677 | 414 | 1 066 | -262 | 804 |
| 2 | 926 | 468 | 1 394 | 561 | 6 991 | 906 | 384 | 62 | 70 | 10 367 | 9 959 | 408 | 1 134 | -254 | 880 |
| 3 | 983 | 291 | 1 274 | 603 | 7 236 | 895 | 412 | 64 | 70 | 10 554 | 10 125 | 429 | 1 605 | -275 | 1 330 |
| 4 | 947 | 458 | 1 405 | 620 | 7 422 | 802 | 450 | 73 | 78 | 10 851 | 10 416 | 435 | 1 521 | -279 | 1 242 |

# TRANSFERS

## TABLE 7

£ million

| | Credits | | | | | | | Debits | | | | | | Balance | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | General Government | | | | | | | General Government | | | | | | |
| | | European Community institutions | | | | | | | | EC institutions | | | | | |
| | Private | Agricultural Fund | Social Fund | Regional Development Fund | Negotiated re-funds | Other | Total | Private | Bilateral aid | Before VAT abatement | VAT abatement | Other | Total | Total | of which: with EC institutions 1 |
| | CGJV | HCOW | HDIZ | HBZA | CGPI | HHAA | HDKD | CGGV | CGEG | HHHO | HHHP | HHAB | CGGJ | CGIO | CGII |
| 1975 | 393 | 342 | 19 | - | - | 5 | 366 | 531 | 148 | 350 | - | 206 | 703 | -475 | 16 |
| 1976 | 537 | 207 | 11 | 29 | - | 6 | 253 | 547 | 279 | 474 | - | 276 | 1 029 | -786 | -221 |
| 1977 | 614 | 181 | 48 | 60 | - | 9 | 298 | 659 | 279 | 750 | - | 352 | 1 381 | -1 128 | -452 |
| 1978 | 774 | 329 | 63 | 35 | - | 12 | 439 | 901 | 387 | 1 364 | - | 352 | 2 103 | -1 791 | -925 |
| 1979 | 801 | 371 | 87 | 71 | - | 21 | 550 | 1 062 | 498 | 1 626 | - | 444 | 2 568 | -2 279 | -1 076 |
| 1980 | 842 | 550 | 95 | 173 | 98 | 42 | 958 | 1 138 | 528 | 1 783 | - | 429 | 2 740 | -2 078 | -825 |
| 1981 | 956 | 683 | 107 | 145 | 693 | 30 | 1 658 | 1 298 | 584 | 2 188 | - | 520 | 3 292 | -1 976 | -530 |
| 1982 | 1 134 | 791 | 152 | 111 | 1 019 | 84 | 2 157 | 1 294 | 498 | 2 878 | - | 584 | 3 958 | -1 961 | -721 |
| 1983 | 1 315 | 1 082 | 128 | 139 | 807 | 65 | 2 221 | 1 483 | 530 | 2 994 | - | 653 | 4 177 | -2 104 | -773 |
| 1984 | 1 428 | 1 353 | 283 | 184 | 528 | 22 | 2 370 | 1 604 | 560 | 3 213 | - | 737† | 4 510† | -2 316† | -843 |
| 1985 | 1 511 | 1 203 | 256 | 274 | 61 | 18 | 1 812 | 1 648 | 614 | 3 970 | -166 | 778 | 5 196 | -3 521 | -1 992 |
| 1986 | 1 637† | 1 388† | 335† | 292† | - | 42† | 2 057† | 1 754† | 628† | 4 513† | -1 701† | 921 | 4 361 | -2 421 | -755† |
| Unadjusted | | | | | | | | | | | | | | | |
| 1982 1 | 271 | 218 | 27 | 14 | 813 | 32 | 1 104 | 325 | 231 | 700 | - | 164 | 1 095 | -45 | 404 |
| 2 | 273 | 102 | 9 | 26 | 9 | 13 | 159 | 318 | 59 | 723 | - | 161 | 943 | -829 | -564 |
| 3 | 290 | 186 | 48 | 26 | 72 | 10 | 342 | 323 | 83 | 750 | - | 134 | 967 | -658 | -408 |
| 4 | 300 | 285 | 68 | 45 | 125 | 29 | 552 | 328 | 123 | 705 | - | 125 | 953 | -429 | -153 |
| 1983 1 | 313 | 257 | 49 | 28 | 568 | 15 | 917 | 343 | 254 | 661 | - | 196 | 1 111 | -224 | 256 |
| 2 | 325 | 226 | 22 | 17 | - | 16 | 281 | 354 | 80 | 791 | - | 205 | 1 076 | -824 | -510 |
| 3 | 335 | 304 | 36 | 62 | 21 | 15 | 438 | 376 | 96 | 628 | - | 143 | 867 | -470 | -190 |
| 4 | 342 | 295 | 21 | 32 | 218 | 19 | 585 | 390 | 100 | 914 | - | 109 | 1 123 | -586 | -329 |
| 1984 1 | 350 | 407 | 180 | 67 | - | 8 | 662 | 396 | 248 | 782 | - | 224† | 1 254† | -638† | -120 |
| 2 | 355 | 244 | 10 | 17 | - | 13 | 284 | 401 | 68 | 787 | - | 229 | 1 084 | -846 | -503 |
| 3 | 359 | 306 | 5 | 31 | - | - | 342 | 405 | 103 | 748 | - | 146 | 997 | -701 | -406 |
| 4 | 364 | 396 | 88 | 69 | 528 | 1 | 1 082 | 402 | 141 | 896 | - | 138 | 1 175 | -131 | 186 |
| 1985 1 | 369 | 277 | 101 | 85 | 61 | 15 | 539 | 407 | 291 | 1 137 | - | 241 | 1 669 | -1 168 | -598 |
| 2 | 375 | 231 | 4 | 39 | - | - | 274 | 407 | 73 | 721 | - | 244 | 1 038 | -796 | -447 |
| 3 | 381 | 306 | 147 | 78 | - | 1 | 532 | 414 | 124 | 1 091 | - | 158 | 1 373 | -874 | -559 |
| 4 | 386 | 389 | 4 | 72 | - | 2 | 467 | 420 | 126 | 1 021 | -166 | 135 | 1 116 | -683 | -388 |
| 1986 1 | 389 | 491† | 8 | 92† | - | 24† | 615† | 433† | 284 | 936 | -657 | 262 | 825 | -254 | 336† |
| 2 | 395 | 326 | 184† | 2 | - | 1 | 513 | 434 | 30 | 1 069 | -225 | 259 | 1 133 | -659 | -331 |
| 3 | 447† | 339 | 13 | 135 | - | 16 | 503 | 439 | 174 | 1 347 | -478 | 233 | 1 276 | -765 | -366 |
| 4 | 406 | 232 | 130 | 63 | - | 1 | 426 | 448 | 140† | 1 161† | -341† | 167 | 1 127 | -743 | -394 |
| Seasonally adjusted | CGKO | HHAC | HHAD | | | HHAE | HHAH | CGHQ | CGEM | HHHT | | HHAG | CGHI | AIME | CGIR |
| 1982 1 | 271 | 208 | 27 | 14 | 813 | 32 | 1 094 | 325 | 130 | 700 | - | 137 | 987 | 73 | 394 |
| 2 | 273 | 158 | 9 | 26 | 9 | 13 | 215 | 318 | 118 | 723 | - | 136 | 977 | -807 | -508 |
| 3 | 290 | 195 | 48 | 26 | 72 | 10 | 351 | 323 | 115 | 750 | - | 153 | 1 018 | -700 | -399 |
| 4 | 300 | 230 | 68 | 45 | 125 | 29 | 497 | 328 | 133 | 705 | - | 158 | 996 | -527 | -208 |
| 1983 1 | 313 | 248 | 49 | 28 | 568 | 15 | 908 | 343 | 139 | 661 | - | 167 | 987 | -89 | 247 |
| 2 | 325 | 288 | 22 | 17 | - | 16 | 343 | 354 | 150 | 791 | - | 177 | 1 118 | -804 | -448 |
| 3 | 335 | 314 | 36 | 62 | 21 | 15 | 448 | 376 | 136 | 628 | - | 165 | 928 | -521 | -180 |
| 4 | 342 | 232 | 21 | 32 | 218 | 19 | 522 | 390 | 106 | 914 | - | 144 | 1 164 | -690 | -392 |
| 1984 1 | 350 | 401 | 180 | 67 | - | 8 | 656 | 396 | 140 | 782 | - | 193† | 1 115† | -505† | -126 |
| 2 | 355 | 308 | 10 | 17 | - | 13 | 348 | 401 | 131 | 787 | - | 195 | 1 113 | -811 | -439 |
| 3 | 359 | 310 | 5 | 31 | - | - | 346 | 405 | 142 | 748 | - | 171 | 1 061 | -761 | -402 |
| 4 | 364 | 334 | 88 | 69 | 528 | 1 | 1 020 | 402 | 147 | 896 | - | 178 | 1 221 | -239 | 124 |
| 1985 1 | 369 | 272 | 101 | 85 | 61 | 15 | 534 | 407 | 173 | 1 137 | - | 208 | 1 518 | -1 022 | -603 |
| 2 | 375 | 294 | 4 | 39 | - | - | 337 | 407 | 136 | 721 | - | 207 | 1 064 | -759 | -384 |
| 3 | 381 | 310 | 147 | 78 | - | 1 | 536 | 414 | 160 | 1 091 | - | 185 | 1 436 | -933 | -555 |
| 4 | 386 | 327 | 4 | 72 | - | 2 | 405 | 420 | 145 | 1 021 | -166 | 178 | 1 178 | -807 | -450 |
| 1986 1 | 389 | 488† | 8 | 92† | - | 24† | 612† | 433† | 165 | 936 | -657 | 229 | 673 | -105 | 333† |
| 2 | 395 | 391 | 184† | 2 | - | 1 | 578 | 434 | 93 | 1 069 | -225 | 222 | 1 159 | -620 | -266 |
| 3 | 447† | 347 | 13 | 135 | - | 16 | 511 | 439 | 210 | 1 347 | -478 | 260 | 1 339 | -820 | -358 |
| 4 | 406 | 162 | 130 | 63 | - | 1 | 356 | 448 | 160† | 1 161† | -341† | 210 | 1 190 | -876 | -464 |

1. This series does not have the same coverage as that shown in Table 3.3 of 'The Government Expenditure Plans 1986-1987 to 1988-1989' (Cmnd 9702-II). The main differences are that the latter excludes the United Kingdom's contribution to the Community Budget expenditure on overseas aid (which is attributed to the aid programme) and includes the services credits shown in Table 5.

# SUMMARY OF TRANSACTIONS IN UK EXTERNAL ASSETS AND LIABILITIES[1]

TABLE 8

Not seasonally adjusted

£ million

| | | Transactions in external assets | | | | | | | Transactions in external liabilities | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | UK investment overseas | | Lending etc to overseas residents by UK banks 2 | Deposits and lending overseas by UK residents other than banks and general government 3 | Official reserves | Other external assets of central government | Total transactions in assets | Overseas investment in the United Kingdom | | Borrowing etc from overseas residents by UK banks 2 | Borrowing from overseas by UK residents other than banks and general government 3 | Other external liabilities of general government | Total transactions in liabilities | Net transactions |
| | | Direct | Portfolio | | | | | | Direct | Portfolio | | | | | |
| | | HHBV | CGOS | HEYN | HETJ | AIPA | HEUJ | HEPZ | HHBU | HEYR | HEYS | HTEV | HEUR | HEQW | HEQU |
| 1975 | | -1 324 | -59 | -184 | -1 | 655 | -621 | -1 534 | 1 518 | 194 | 850 | 903 | -330 | 3 135 | 1 601 |
| 1976 | | -2 420 | 80 | -654 | -930 | 853 | -662 | -3 723 | 1 653 | 1 032 | -54 | 1 472 | 214 | 4 317 | 594 |
| 1977 | | -2 399 | 12 | -393 | -436 | -9 588 | -389 | -13 193 | 2 548 | 1 910 | 2 658 | 1 713 | 1 125 | 9 952 | -3 241 |
| 1978 | | -3 520 | -1 073 | -1 229 | -954 | 2 329 | -181 | -4 628 | 1 962 | -139 | -793 | 1 181 | -705 | 1 506 | -3 122 |
| 1979 | | -5 889 | -909 | -29 992 | -1 551 | -1 059 | -115 | -39 515 | 3 030 | 1 549 | 33 540 | 1 544† | -217 | 39 446† | -69† |
| 1980 | | -4 924† | -3 230 | -32 820 | -1 225 | -291 | 351 | -42 139† | 4 355 | 1 499 | 33 549 | 393 | -593 | 39 203 | -2 936 |
| 1981 | | -6 093 | -4 300 | -40 151 | -1 548 | 2 419 | 93 | -49 580 | 2 932 | 323 | 39 260 | 761 | -206† | 43 070 | -6 510 |
| 1982 | | -4 322 | -6 720 | -20 558 | -683 | 1 421 | -161 | -31 023 | 2 964 | 225 | 24 325 | 585 | 407 | 28 506 | -2 517 |
| 1983 | | -5 301 | -6 520 | -18 332 | -791 | 807 | -478 | -30 815 | 3 438 | 1 888 | 21 136 | 262 | -576 | 26 148 | -4 667 |
| 1984 | | -5 980 | -9 550 | -14 088 | -1 846 | 908 | -743 | -31 259 | 408† | 1 419 | 24 770 | -1 701 | -49 | 24 847 | -6 412 |
| 1985 | | -7 255 | -18 270† | -22 043† | -159† | -1 758 | -730 | -50 215 | 3 655 | 7 069 | 29 456† | 2 687 | 21 | 42 888 | -7 327 |
| 1986 | | -8 220 | -19 170 | -54 033 | -1 114 | -2 891† | -536† | -86 964 | 5 324 | 7 686† | 64 068 | 3 934 | 194 | 81 206 | -5 758 |
| 1978 | 1 | -631 | -253 | -657 | -370 | 46 | 272 | -1 593 | 867 | -137 | -64 | 388 | 211 | 1 265 | -328 |
| | 2 | -553 | -244 | -335 | -49 | 2 026 | -103 | 742 | 264 | 133 | -1 577 | 208 | -472 | -1 444 | -702 |
| | 3 | -935 | -247 | -86 | -138 | -54 | -120 | -1 580 | 306 | -52 | 475 | 161 | 29 | 919 | -661 |
| | 4 | -1 401 | -329 | -151 | -397 | 311 | -230 | -2 197 | 525 | -83 | 373 | 424 | -473 | 766 | -1 431 |
| 1979 | 1 | -1 347 | -242 | -1 127 | -283 | -955 | -89 | -4 023 | 289 | 213 | 2 542 | 271† | 296 | 3 611† | -412† |
| | 2 | -1 417 | -39 | -7 824 | -564 | -68 | -56 | -9 968 | 1 124 | 132 | 8 514 | 637 | -431 | 9 976 | 8 |
| | 3 | -1 839 | -303 | -12 978 | -50 | -152 | -5 | -15 327 | 827 | 692 | 13 727 | -177 | 20 | 15 089 | -238 |
| | 4 | -1 286 | -325 | -8 063 | -674 | 116 | 35 | -10 197 | 790 | 512 | 8 757 | 813 | -102 | 10 770 | 573 |
| 1980 | 1 | -1 590 | -527 | -10 858 | -639 | -457 | 88 | -13 983 | 1 303 | 33 | 11 258 | 107 | 88 | 12 789 | -1 194 |
| | 2 | -1 652 | -323 | -5 547 | -68 | -140 | 11 | -7 719 | 861 | 968 | 6 190 | 58 | -258 | 7 819 | 100 |
| | 3 | -638† | -1 110 | -3 375 | 291 | 223 | 38 | -4 571† | 941 | 533 | 3 379 | -273 | -120 | 4 460 | -111 |
| | 4 | -1 044 | -1 270 | -13 040 | -809 | 83 | 214 | -15 866 | 1 250 | -35 | 12 722 | 501 | -303 | 14 135 | -1 731 |
| 1981 | 1 | -1 543 | -1 410 | -11 249 | -324 | -319 | 85 | -14 760 | 377 | 8 | 9 905 | 277 | 40 | 10 607 | -4 153 |
| | 2 | -1 359 | -1 030 | -6 771 | -457 | 1 448 | -30 | -8 199 | 1 181 | -138 | 5 444 | -155 | 91† | 6 423 | -1 776 |
| | 3 | -1 351 | -770 | -12 220 | -373† | 1 187 | 30 | -13 517 | 662 | 62 | 11 932 | 372 | 9 | 13 037 | -480 |
| | 4 | -1 840 | -1 090 | -9 911 | -394 | 123 | 8 | -13 104 | 712 | 391 | 11 979 | 267 | -346 | 13 003 | -101 |
| 1982 | 1 | -1 217 | -1 760 | -9 849 | 1 048 | 11 | -42 | -11 811 | 1 340 | -185 | 11 306 | -562 | -143 | 11 756 | -55 |
| | 2 | -891 | -1 470 | 1 711 | -9 | 699 | -15 | 25 | 859 | -107 | -27 | -9 | 100 | 816 | 841 |
| | 3 | -1 091 | -1 560 | -14 888 | -250 | -288 | -48 | -18 125 | 513 | -322 | 15 666 | 150 | 387 | 16 394 | -1 731 |
| | 4 | -1 123 | -1 930 | 2 468 | -1 470 | 999 | -56 | -1 112 | 252 | 839 | -2 620 | 1 006 | 63 | -460 | -1 572 |
| 1983 | 1 | -1 929 | -1 810 | -7 331 | 36 | 652 | -203 | -10 585 | 649 | 310 | 7 627 | 160 | -394 | 8 552 | -2 033 |
| | 2 | -442 | -1 880 | 2 084 | 459 | -142 | -74 | 5 | 1 365 | 1 124 | -1 392 | -267 | 32 | 862 | 867 |
| | 3 | -1 559 | -1 200 | -8 248 | -97 | -33 | -89 | -11 226 | 1 204 | 367 | 10 138 | -69 | 109 | 11 749 | 523 |
| | 4 | -1 371 | -1 650 | -4 817 | -1 189 | 130 | -112 | -9 009 | 220 | 87 | 4 563 | 438 | -323 | 4 985 | -4 024 |
| 1984 | 1 | -1 714 | -3 700 | -9 093 | 479 | 77 | -262 | -14 213 | 1 398† | 421 | 11 522 | -139 | 137 | 13 339 | -874 |
| | 2 | -610 | -300 | -7 437 | -358 | 857 | -151 | -7 999 | -2 839 | -437 | 11 023 | -1 031 | 150 | 6 866 | -1 133 |
| | 3 | -1 833 | -2 630 | 5 076 | -1 807 | 279 | -135 | -1 050 | 1 638 | 347 | -2 580 | -28 | 234 | -389 | -1 439 |
| | 4 | -1 803 | -2 920 | -2 614 | -160 | -305 | -195 | -7 997 | 211 | 1 088 | 4 805 | -503 | -570 | 5 031 | -2 966 |
| 1985 | 1 | -3 110 | -5 950 | -6 408† | -947 | 90 | -214 | -16 539 | 2 120 | 1 307 | 9 420† | 274 | 185 | 13 306 | -3 233 |
| | 2 | -1 401 | -4 770 | 804 | -106 | -607 | -186 | -6 286 | 464 | 2 500 | 390 | 1 548 | 47 | 4 949 | -1 317 |
| | 3 | -1 599 | -3 840 | -10 899 | 739 | -49 | -76 | -15 524 | 849 | 885 | 8 745 | -86 | -4 | 10 389 | -5 135 |
| | 4 | -1 145 | -3 910† | -5 540 | 155 | -1 192 | -254 | -11 886 | 222 | 2 377 | 10 901 | 951 | -207 | 14 244 | 2 358 |
| 1986 | 1 | -635 | -4 520 | -8 998 | -24 | -580 | 36 | -14 721 | 1 936 | 781† | 11 612 | -994 | 211 | 13 546 | -1 175 |
| | 2 | -1 197 | -6 330 | -6 111 | -199 | -296 | -158† | -14 291 | 1 133 | 1 558 | 7 597 | 1 485 | 130 | 11 903 | -2 388 |
| | 3 | -3 151 | -5 290 | -28 797 | -1 289 | -2 321 | -163 | -41 011 | 1 627 | 2 786 | 34 079 | 3 382 | 165 | 42 019 | 1 008 |
| | 4 | -4 237 | -3 030 | -10 127 | 398 | 306† | -251 | -16 941 | 628 | 2 581 | 10 780 | 61 | -312 | 13 738 | -3 203 |

1. UK assets: increase-/decrease+. UK liabilities: increase+/decrease-.
2. Prior to 1979 foreign currency lending abroad (other than certain export credit extended) is recorded on a net basis under liabilities. Prior to 1982 includes transactions by 'other financial institutions', which are subsequently included in transactions by UK residents other than banks and general government.
3. Only partial coverage for the most recent quarter - see Table 12.

## DIRECT INVESTMENT

### TABLE 9

Not seasonally adjusted

£ million

| | | Investment overseas by UK residents (Transactions in assets) | | | Investment in UK by overseas residents (Transactions in liabilities) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | All companies and miscellaneous | | | In non-oil companies | | In oil companies | | | |
| | | Unremitted profits | Other | Total direct investment | Unremitted profits | Other | Unremitted profits | Other | Miscellaneous | Total direct investment |
| | | HHDR | HHDS | HHBV | CGLU | CGLM | HERX | HEYZ | CGLO | HHBU |
| 1981 | | .. | .. | -6 093† | 638 | 342 | 945 | 937 | 70 | 2 932 |
| 1982 | | .. | .. | -4 322 | 768 | 306 | 371 | 1 399 | 120 | 2 964 |
| 1983 | | .. | .. | -5 301 | 1 085 | 1 030 | 187 | 1 071 | 85 | 3 438 |
| 1984 | | -4 811 | -1 149† | -5 960 | 1 388† | 790† | 1 223 | -3 058 | 65 | 408† |
| 1985 | | -4 741† | -2 514 | -7 255 | 1 969 | 192 | 2 769 | -1 365 | 90 | 3 655 |
| 1986 | | -3 707 | -5 513 | -9 220 | 1 918 | 2 004 | 430† | 832† | 140† | 5 324 |
| 1984 | 1 | -1 339 | -375 | -1 714 | 509 | 248† | 1 056 | -423 | 10 | 1 398† |
| | 2 | -963 | 353 | -610 | 504† | -174 | 528 | -3 722 | 25 | -2 839 |
| | 3 | -1 455 | -378 | -1 833 | 372 | 441 | 649 | 166 | 10 | 1 638 |
| | 4 | -1 054 | -749† | -1 803† | 3 | 277 | -1 010 | 921 | 20 | 211 |
| 1985 | 1 | -1 594† | -1 516 | -3 110 | 655 | 200 | 1 279 | 46 | -80 | 2 120 |
| | 2 | -1 387 | -14 | -1 401 | 692 | -181 | 777 | -869 | 45 | 464 |
| | 3 | -1 264 | -335 | -1 599 | 450 | 304 | 812 | -752 | 35 | 849 |
| | 4 | -496 | -649 | -1 145 | 172 | -131 | -99 | 210 | 70 | 222 |
| 1986 | 1 | -875 | 240 | -635 | 566 | 812 | 519† | 9† | 30 | 1 936 |
| | 2 | -831 | -366 | -1 197 | 568 | 429 | 365 | -279 | 50 | 1 133 |
| | 3 | -1 125 | -2 026 | -3 151 | 648 | 329 | 188 | 422 | 40 | 1 627 |
| | 4 | -876 | -3 361 | -4 237 | 136 | 434 | -642 | 680 | 20† | 628 |

## PORTFOLIO INVESTMENT

### TABLE 10

Not seasonally adjusted

£ million

| | | Investment overseas by UK residents (Transactions in assets) | | | | Investment in UK securities by overseas residents (Transactions in liabilities) | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | British government stocks | | British government foreign currency notes and bonds | Local authorities' securities | Public corporations securities | UK company securities | Total portfolio investment |
| | | UK banks | Other financial institutions 1 | Other | Total portfolio investment | Overseas monetary authorities | Other overseas residents | | | | | |
| | | HHAL | HHAM | HHAN | CGOS | AING | CGLV | HEZP | HHIG | HEZX | HEZV | HEYR |
| 1981 | | -995 | -3 097 | -208 | -4 300 | 207 | 201 | - | -38 | -367 | 320 | 323 |
| 1982 | | -1 952 | -4 337 | -431 | -6 720 | -212 | 568 | -115 | -7 | -139 | 130 | 225 |
| 1983 | | -2 751 | -3 466 | -303 | -6 520 | 227 | 714 | - | -10 | 12 | 945 | 1 888 |
| 1984 | | -7 980 | -1 504 | -66 | -9 550 | 188 | 781 | -342 | -4 | -229 | 1 025 | 1 419 |
| 1985 | | -10 251 | -4 945† | -3 074† | -18 270† | 1 482 | 1 438 | 267 | -3 | -10 | 3 895 | 7 069 |
| 1986 | | -6 342† | -11 625 | -1 203 | -19 170 | 280† | 1 650† | 1 077† | -1† | -4† | 4 684† | 7 686† |
| 1984 | 1 | -2 269 | -1 150 | -281 | -3 700 | 103 | 243 | - | -2 | -13 | 90 | 421 |
| | 2 | -800 | 250 | 210 | -300 | 107 | -44 | -342 | 1 | -294 | 135 | -437 |
| | 3 | -2 029 | -714 | 113 | -2 630 | -36 | 240 | - | -2 | -30 | 175 | 347 |
| | 4 | -2 882 | 70 | -108 | -2 920 | 14 | 342 | - | -1 | 108 | 625 | 1 088 |
| 1985 | 1 | -1 921 | -3 155 | -874 | -5 950 | 208 | 508 | - | -2 | 73 | 520 | 1 307 |
| | 2 | -2 429 | -1 666 | -675 | -4 770 | 640 | 637 | -177 | 1 | 174 | 1 225 | 2 500 |
| | 3 | -2 323 | -502 | -815 | -3 640 | -75 | 452 | - | -1 | -121 | 630 | 885 |
| | 4 | -3 578 | 378† | -710† | -3 910† | 709 | -159 | 444 | -1 | -136 | 1 520 | 2 377 |
| 1986 | 1 | -886† | -3 473 | -161 | -4 520 | -163† | 202 | -25 | -1 | 138 | 630 | 781† |
| | 2 | -2 137 | -3 687 | -506 | -6 330 | 336 | 392 | 12 | - | -126 | 944† | 1 558 |
| | 3 | -2 140 | -2 896 | -254 | -5 290 | 65 | 492† | 836† | - | -7 | 1 380 | 2 766 |
| | 4 | -1 179 | -1 569 | -282 | -3 030 | 42 | 564 | 254 | - | -9† | 1 730 | 2 581 |

1. Includes security dealers from 1984.

## TRANSACTIONS OF UK BANKS (excluding direct and portfolio investment)

TABLE 11

Not seasonally adjusted

£ million

| | Transactions in external assets | | | | | | Transactions in external liabilities | | | | Net transactions | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Foreign currency lending abroad | | | Sterling lending abroad | | | Borrowing and deposit liabilities abroad | | | | | | | |
| | | | | | | | | Sterling | | | | | | |
| | Identified long-term export credit | Other | Total | Identified export credit | Other | Total | Total transactions in assets | Foreign currency | Overseas authorities' exchange reserves | Other | Total | Total transactions in liabilities | Foreign currency | Sterling | Total |
| | HEZY | HEPG | HEZZ | HHIL | HCAE | HCAD | HEYN | HCAF | HCHE | CGDI | HEPD | HEYS | HCAG | HCAH | HCAI |
| 1981 | -995 | -36 169 | -37 164 | -33 | -2 954 | -2 987 | -40 151 | 36 763 | -111 | 2 608 | 2 497 | 39 260 | -401 | -490 | -891 |
| 1982 | -839 | -15 700 | -16 539 | -720 | -3 299 | -4 019 | -20 558 | 19 904 | 321 | 4 100 | 4 421 | 24 325 | 3 365 | 402 | 3 767 |
| 1983 | -444 | -15 656 | -16 100 | -893 | -1 339 | -2 232 | -18 332 | 17 190 | 839 | 3 107 | 3 946 | 21 136 | 1 090 | 1 714 | 2 804 |
| 1984 | 144 | -9 279 | -9 135 | -215 | -4 718 | -4 933 | -14 068 | 18 637 | 998 | 5 135 | 6 133 | 24 770 | 9 502 | 1 200 | 10 702 |
| 1985 | 299 | -20 705† | -20 406† | 90 | -1 727 | -1 637 | -22 043† | 25 306† | 150 | 4 000 | 4 150 | 29 456† | 4 900† | 2 513 | 7 413† |
| 1986 | 783† | -48 724 | -47 941 | -104† | -5 988† | -6 092† | -54 033 | 58 471 | -323† | 5 920† | 5 597† | 64 068 | 10 530 | -495† | 10 035 |
| 1984 1 | -37 | -7 468 | -7 505 | -175 | -1 413 | -1 588 | -9 093 | 9 995 | 191 | 1 336 | 1 527 | 11 522 | 2 490 | -61 | 2 429 |
| 2 | 22 | -6 363 | -6 341 | 8 | -1 104 | -1 096 | -7 437 | 9 059 | 124 | 1 840 | 1 964 | 11 023 | 2 718 | 868 | 3 586 |
| 3 | 89 | 6 136 | 6 225 | -34 | -1 115 | -1 149 | 5 076 | -4 279 | 204 | 1 495 | 1 699 | -2 580 | 1 946 | 550 | 2 496 |
| 4 | 70 | -1 584 | -1 514 | -14 | -1 086 | -1 100 | -2 614 | 3 862 | 479 | 464 | 943 | 4 805 | 2 348 | -157 | 2 191 |
| 1985 1 | 52 | -3 476† | -3 424† | -74 | -2 910 | -2 984 | -6 408† | 5 142† | -497 | 4 775 | 4 278 | 9 420† | 1 718† | 1 294 | 3 012† |
| 2 | 68 | 287 | 355 | 39 | 410 | 449 | 804 | 777 | -221 | -166 | -387 | 390 | 1 132 | 62 | 1 194 |
| 3 | 134 | -11 405 | -11 271 | -45 | 417 | 372 | -10 899 | 7 984 | 570 | 211† | 781† | 8 745 | -3 307 | 1 153† | -2 154 |
| 4 | 45 | -6 111 | -6 066 | 170 | 356 | 526 | -5 540 | 11 423 | 298 | -820 | -522 | 10 901 | 5 357 | 4 | 5 361 |
| 1986 1 | 132 | -7 063 | -6 931 | -226 | -1 841† | -2 067† | -8 998 | 7 722 | 484 | 3 406 | 3 890 | 11 612 | 791 | 1 823 | 2 614 |
| 2 | 170 | -5 748 | -5 578 | 53 | -586 | -533 | -6 111 | 8 458 | -811 | -50 | -861 | 7 597 | 2 880 | -1 394 | 1 486 |
| 3 | 313 | -27 637 | -27 324 | 19 | -1 492 | -1 473 | -28 797 | 33 334 | -8† | 753 | 745 | 34 079 | 6 010 | -728 | 5 282 |
| 4 | 168† | -8 276 | -8 108 | 50† | -2 069 | -2 019 | -10 127 | 8 957 | 12 | 1 811 | 1 823 | 10 780 | 849 | -196 | 653 |

## TRANSACTIONS OF UK RESIDENTS OTHER THAN BANKS AND GENERAL GOVERNMENT (excluding direct and portfolio investment)

TABLE 12

Not seasonally adjusted

£ million

| | Transactions in external assets | | | Transactions in external liabilities | | | Net transactions | | |
|---|---|---|---|---|---|---|---|---|---|
| | Transactions with banks abroad 1 | Other assets | Total transactions in assets | Transactions with banks abroad 1 | Other liabilities | Total transactions in liabilities | Public corporations | UK non-bank private sector | Total |
| | HES2 | HETE | HETJ | HETN | HETQ | HTEV | HETW | HETY | HETZ |
| 1981 | -494 | -1 054 | -1 548 | 537 | 224 | 761 | -262 | -525 | -787 |
| 1982 | -908 | 225 | -683 | 469 | 116 | 585 | -232 | 134 | -98 |
| 1983 | -684 | -107 | -791 | 336 | -74 | 262 | -67 | -462 | -529 |
| 1984 | -3 098 | 1 252 | -1 846 | -2 316 | 615 | -1 701 | -49 | -3 498 | -3 547 |
| 1985 | -764† | 605† | -159† | 2 377 | 310† | 2 687† | 8 | 2 520† | 2 528† |
| 1986 | -1 909 | 795 | -1 114 | 3 395† | 539 | 3 934 | -189† | 3 009 | 2 820 |
| 1984 1 | 667 | -188 | 479 | -532 | 393 | -139 | 130 | 210 | 340 |
| 2 | -1 157 | 799 | -358 | -696 | -333 | -1 031 | -150 | -1 239 | -1 389 |
| 3 | -2 099 | 292 | -1 807 | -83 | 55 | -28 | -21 | -1 814 | -1 835 |
| 4 | -509 | 349 | -160 | -1 003 | 500 | -503 | -8 | -655 | -663 |
| 1985 1 | -831† | -116 | -947† | -224 | 498 | 274 | -10 | -663† | -673† |
| 2 | -98 | -8† | -106 | 1 660 | -112 | 1 548 | 35 | 1 407 | 1 442 |
| 3 | 649 | 90 | 739 | -226 | 140 | -86 | 97 | 556 | 653 |
| 4 | -484 | 639 | 155 | 1 167 | -216† | 951† | -114 | 1 220 | 1 106 |
| 1986 1 | -134 | 110 | -24 | -1 044 | 50 | -994 | -141† | -877 | -1 018 |
| 2 | -505 | 306 | -199 | 1 271 | 214 | 1 485 | -18 | 1 304 | 1 286 |
| 3 | -1 514 | 225 | -1 289 | 3 019† | 363 | 3 382 | 3 | 2 090 | 2 093 |
| 4 | 244 | 154 | 398 | 149 | -88 | 61 | -33 | 492 | 459 |

1. Transactions with banks in the reporting area covered by the BIS are not available for the most recent quarter.

# TRANSACTIONS OF GENERAL GOVERNMENT (excluding portfolio liabilities)

TABLE 13

Not seasonally adjusted

£ million

| | | Transactions in external assets | | | | | Transactions in external liabilities | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Borrowing from banks etc overseas by | | | | | | |
| | | Official reserves | Inter-government loans by UK | Export credit | Other assets | Total transactions in assets | IMF | Inter-government loans to UK | HM Government | Local authorities1 | Treasury bills | Non-interest bearing notes | Other liabilities | Total transactions in liabilities | Net transactions |
| | | AIPA | HEUC | HEPF | HHIC | HEUI | AION | HEUL | HCJN | HEUQ | AARB | HCHO | HHIB | HEUR | HCCG |
| 1981 | | 2 419 | 9 | 305 | -221 | 2 512 | -145 | -73 | -232 | 60 | -110 | 82 | 213† | -206† | 2 306† |
| 1982 | | 1 421 | 30 | 53 | -244 | 1 260 | -163 | -87 | - | 40 | 132 | 36 | 449 | 407 | 1 667 |
| 1983 | | 607 | 12 | -235 | -255 | 129 | -36 | -97 | - | 64 | 31 | -12 | -527 | -576 | -447 |
| 1984 | | 908 | 65 | -603 | -205 | 165 | - | -103 | - | 41 | 144 | -21 | -110 | -49 | 116 |
| 1985 | | -1 758 | 52 | -573 | -209 | -2 488 | - | -87 | - | 85 | -13 | 28 | 8 | 21 | -2 467 |
| 1986 | | -2 891† | 40† | -344† | -232† | -3 427† | - | -87† | - | 99† | 231† | -248† | 199 | 194 | -3 233 |
| 1984 | 1 | 77 | 13 | -126 | -149 | -185 | - | - | - | 40 | 34 | 71 | -9† | 137† | -48† |
| | 2 | 857 | 19 | -144 | -26 | 706 | - | - | - | -11 | 88 | -122 | 195 | 150 | 856 |
| | 3 | 279 | 13 | -149 | - | 144 | - | - | - | -5 | 10 | 58 | 171 | 234 | 378 |
| | 4 | -305 | 20 | -184 | -30 | -500 | - | -103 | - | 17 | 12 | -28 | -467 | -570 | -1 070 |
| 1985 | 1 | 90 | 2 | -53 | -162 | -124 | - | - | - | 3 | -6 | 122 | 66 | 185 | 61 |
| | 2 | -607 | 9 | -180 | -16 | -793 | - | -1 | - | -6 | -29 | -72 | 156 | 47 | -746 |
| | 3 | -49 | 7 | -71 | -12 | -125 | - | - | - | 45 | 39 | -21 | -67 | -4 | -129 |
| | 4 | -1 192 | 34 | -269 | -19 | -1 446 | - | -86 | - | 43 | -17 | -1 | -147 | -207 | -1 653 |
| 1986 | 1 | -580 | - | 106 | -70 | -544 | - | - | - | 47 | -34 | 93 | 105 | 211 | -333 |
| | 2 | -296 | 12† | -130 | -40 | -454† | - | -1 | - | 43 | 2 | -52 | 138 | 130 | -324 |
| | 3 | -2 321 | 17 | -141 | -39 | -2 484 | - | - | - | 18 | 94 | -13 | 66 | 165 | -2 319 |
| | 4 | 306† | 11 | -179† | -83† | 55 | - | -86† | - | -9† | 189† | -276† | -110 | -312 | -257 |

1. Including Northern Ireland central government.

# The Budget: 17 March 1987

The following are the proposed changes in taxation as set out in the *Financial Statement and Budget Report 1987-88* (HMSO March 1987) (Price £6.90)

**Income tax**

The basic rate of income tax will be reduced to 27 per cent.

The main income tax personal allowances will be increased in line with the statutory indexation provisions (based on the increase of 3.7 per cent in the RPI in the year to December 1986). This will mean that:

—the single person's and wife's earned income allowances will rise from £2,335 to £2,425;

—the married allowance will rise from £3,655 to £3,795;

—the age allowance will rise from £2,850 to £2,960 (single) and from £4,505 to £4,675 (married) and the income limit from £9,400 to £9,800;

—the additional personal allowance and widow's bereavement allowance will rise from £1,320 to £1,370.

For those aged 80 and over the age allowance will be increased by twice the amount due under statutory indexation to £3,070 (single) and £4,845 (married).

The allowance for the blind will be increased from £360 to £540.

The higher rates of income tax will be charged as follows:

| Rate of tax per cent | Taxable income £ |
|---|---|
| 40 | 17 901-20 400 |
| 45 | 20 401-25 400 |
| 50 | 25 401-33 300 |
| 55 | 33 301-41 200 |
| 60 | over 41 200 |

Car benefit scale charges will be increased by 10 per cent from 6 April 1988.

**Profit-related pay**

An income tax relief will be introduced for employees in profit-related pay (PRP) schemes which meet certain conditions and which have been registered with the Inland Revenue. The maximum amount of PRP eligible for relief will be £3,000, or 20 per cent of total PAYE pay, whichever is lower. Relief will be given on half the eligible amount.

**Excise duties**

The duty on unleaded petrol will be reduced by the equivalent of about 5p a gallon (including VAT).

On-course betting duty will be abolished.

The rates of duty on gaming machine licences will be increased by between 25 and 28 per cent.

**Vehicle excise duty**

The rates of duty on farmers' heavy goods vehicles over 7.5 tonnes will be increased by between 5 and 34 per cent. The rates of duty for trade licences will be increased to £85 for cars and £17 for motor cycles. a new taxation class will be created for recovery vehicles. The duty rate will be £50.

**Inheritance tax**

From Budget day the threshold will be increased from £71,000 to £90,000 and the number of chargeable bands reduced from seven to four. The new scale will be as follows:

| Rate of tax per cent | Band of chargeable value £000 |
|---|---|
| 0 | 0-90 |
| 30 | 90-140 |
| 40 | 140-220 |
| 50 | 220-330 |
| 60 | Over 330 |

Lifetime gifts of "interests in possession" in settled property will be exempt from inheritance tax if the donor survives for seven years. Measures against abuse will be incorporated.

Trust property in which there is an interest in possession will not be taxed on the death of a life tenant if the property is put into a heritage maintenance fund not later than two years after the death.

Property accepted in lieu of tax may be valued at the date of the offer, and interest will cease to accrue on that date, at the option of the offeror.

From Budget day, the rate of business relief on transfers of holdings of more than 25 per cent (other than control holdings) in unquoted companies will be increased from 30 to 50 per cent. Companies whose shares are traded on the Unlisted Securities Market will from Budget day be treated for inheritance tax purposes in the same way as companies with a full listing on the Stock Exchange.

**Business taxation**

The small companies' rate of corporation tax will be reduced to 27 per cent. The rate of advance corporation tax (ACT) will go down automatically to 27/73rds as a consequence of the reduction in the basic rate of income tax. The main rate of corporation tax for the financial year 1987 will be 35 per cent.

All companies, building societies and other bodies chargeable to corporation tax will become liable, after a phasing-in period, to pay the tax nine months after the end of the accounting period for which the tax is due.

From Budget day there will be changes in the tax treatment of companies' capital gains. They will be taxed without adjustment, other than the indexation that applies to post-1982 gains, at the rates of corporation tax applying to other profits (including, where appropriate, the small companies' rate) and credit for payment of ACT will be allowed against liability to tax on them.

From 1 April 1987 credit for any foreign withholding tax actually paid or deemed to be paid on interest received by banks on any new loan made by them to a non-resident will be allowed only against corporation tax due on the profit from that loan. This rule will apply to existing loans with effect from 1 April 1988.

From 1 April 1987 dual resident companies will not be allowed a double deduction for interest payments. This change will not apply to trading companies.

Legislation will be introduced for a new scheme, known as Pay and File, to streamline assessment and collection of corporation tax. The scheme will be implemented when the necessary computerisation is complete.

**Oil taxation**

Two relaxations to the expenditure relief rules are proposed:

- companies may elect to have up to 10 per cent of the costs of developing certain new fields set against their petroleum revenue tax (PRT) liabilities on existing fields;

- certain research expenditure which is not specifically related to a particular oil field may after three years be set against PRT liabilities in any field.

A minor technical change is also proposed to the rules for allocating oil allowance.

One effect of Section 16 of the Oil Taxation Act 1975 is to restrict the ability of oil companies to set off payment of ACT against tax due on ring-fence profits. It is proposed that such companies should be allowed limited carry-back of surrendered ACT. It will also be possible for a 50/50 joint venture to surrender ACT to a ring-fence company owned by the venture.

Where an oil extraction company uses the issue of preference shares to raise capital which is not used for oil extraction purposes, there will be restrictions in the extent to which ACT paid on certain dividends on those preference shares can be set off by the company against ring-fence profits.

**Business Expansion Scheme**

Two changes will be made to the Business Expansion Scheme:

- for investments made in the first half of the tax year, the investor will be able to opt for part of the relief to be given for the previous year;

- the rules governing the special relief for film production will be relaxed.

**Pensions**

In the light of the reform of social security, a new tax regime for personal pensions (ie pensions taken out by an individual independently of his employer) will be introduced, to replace and extend the present, broadly similar, legislation for retirement annuities. The new regime will come into effect next year. The main features will be:

- benefits based on the actual return from invested contributions (money purchase);

- no limits on pension benefits;

- a tax-free lump sum, subject to a limit;

- annual contributions limited to 17.5 per cent of earnings (more for people over 50) with employers free to contribute within the limit;

- tax relief for contributions, tax exemption for fund income and gains.

Employees will be able to contract-out of the State Earnings Related Pension Scheme (SERPS) by joining a personal pension scheme, to which the DHSS will pay a minimum contribution.

Employers will be able to establish simplified occupational schemes which may be "final salary" or "defined contribution". Under the new social security rules, the latter may be "contracted out money purchase" schemes.

There will be greater transferability between different types of pension arrangements.

Members of occupational pension schemes will be able to pay additional voluntary contributions—on which tax relief will be available up to the present limits—to arrangements outside their employer's scheme.

A number of changes in current pensions law and practice will be made, to counter certain types of exploitation, particularly by high earners. These include:

- a limit on lump sums of £150,000;

- changes in the rules on "final salary" for pension purposes;

- changes in the rules relating to accelerated accrual of benefits.

**Training**

Employees who are about to change their jobs will be exempted from income tax on the cost of training in new work skills provided by their employer.

**Employee share schemes**

The 1980 and 1984 employee share option schemes will be changed to make it possible, in the event of a takeover, for participants to exchange their existing share options for options over shares in the acquiring company.

**Capital gains tax**

The capital gains tax annual exempt amount is to be increased in accordance with the statutory indexation provisions from £6,300 to £6,600 in the case of individuals, and from £3,150 to £3,300 in the case of most trusts.

The ceiling for retirement relief will be raised from £100,000 to £125,000.

**Lloyd's: reinsurance to close**

Legislation is proposed to bring the tax treatment of members of Lloyd's into line with the normal tax treatment of provisions for outstanding liabilities made by ordinary insurance companies and of comparable provisions made by other financial traders. These proposals will affect the tax treatment of Lloyd's reinsurance to close and will first apply to premiums payable in respect of the 1985 Lloyd's account closing at 31 December 1987.

**PAYE and subcontractor schemes**

Changes will be made to the PAYE and subcontractor deduction schemes, including the charging of interest where formal assessments have had to be made of tax deducted under these schemes. This follows recommendations of the Keith Committee.

**VAT**

From 18 March 1987 the registration limits will become £21,300 per annum and £7,250 per quarter.

Subject to the Government's obtaining the necessary derogation from the European Community, businesses with annual turnover below £250,000 are to be given the option of accounting for VAT on the basis of payments received and made. This optional system of cash accounting is intended to come into effect on 1 October 1987.

An optional system of annual accounting for VAT is to be introduced with advance payments based normally on the previous year's tax so that businesses with annual turnover below £250,000 would need to send only one return to Customs each year.

The period within which businesses must notify and be registered for VAT will be extended to 30 days.

The simpler VAT schemes for retailers will be made available for use by many more small and medium-sized businesses.

The rules on VAT input tax deduction by partly exempt traders are to be revised so as to curb tax avoidance and to prevent distortion of competition.

VAT relief for charities will be extended to certain welfare vehicles used by hospices to transport the terminally ill; to specialised location and identification equipment used by rescue and first aid services; to goods donated for export by a charity for relief of distress or animal welfare; to installing or adapting bathroom, washroom or lavatory facilities for the handicapped in charity residential homes; and to drugs and chemicals directly used by a charity in medical care or research.

## Direct effect of changes in taxation

£ million

| | Estimated effect on receipts in: 1987-88 | | 1988-89 |
|---|---|---|---|
| | Changes from an non-indexed base | Changes from a indexed base | Changes from a indexed base |
| **INLAND REVENUE** | | | |
| **Income tax** | | | |
| 1 Reduction of 2p in basic rate | − 1910 | − 1910 | − 2690 |
| 2 Increase in single allowance of £90 and married allowance of £140 | − 610 | − | − |
| 3 Increase in additional personal allowance and widow's bereavement allowance of £50 | − 5 | − | − |
| 4 Increase in age allowance of £110 (single) and £170 (married) and income limit of £400 | − 80 | − | − |
| 5 Further increase in age allowance of £110 (single) and £170 (married) for those aged 80 and over | − 10 | − 10 | − 10 |
| 6 Increase in blind person's allowance of £180 | * | * | * |
| 7 Increase in basic rate limit of £700 to £17,900 | − 60 | − | − |
| 8 Changes to further higher rate thresholds | − 5 | + 40 | + 80 |
| 9 Profit-related pay | * | * | − 50 |
| 10 Fringe benefits — car scale | − | − | + 30 |
| 11 Income support paid to the unemployed and to strikers | − | − | * |
| 12 Approved employee share schemes — takeovers | * | * | * |
| 13 Payroll giving to charities — increase in donation limit to £120 a year | * | * | * |
| 14 Legislation on Lloyd's reinsurance to close | − | − | † |
| 15 Apportionment of income etc of close companies | * | * | * |
| 16 Foreign partnerships — removal of possible anomaly | * | * | * |
| **Income tax and capital gains tax** | | | |
| 17 Business Expansion Scheme changes | − 5 | − 5 | − 5 |
| 18 Amendment to offshore fund rules | * | * | * |
| **Income tax and corporation tax** | | | |
| 19 Personal pensions | * | * | − 25 |
| 20 Other pensions changes | * | * | − 40 |
| 21 Friendly societies | * | * | * |
| 22 Keith Committee — PAYE and subcontractors | + 5 | + 5 | + 45 |
| 23 Interest payments between related companies | * | * | * |
| 24 Increase in exemption limits for trade union provident funds | * | * | * |
| 25 Capital allowances — extension of assured tenancies relief | * | * | * |
| 26 Relief for the costs of training | * | * | * |
| **Income tax, corporation tax and capital gains tax** | | | |
| 27 Securities — Financial Services Act consequentials | − | − | − |
| **Income tax, corporation tax, capital gains tax, inheritance tax and stamp duties** | | | |
| 28 Unit trusts — Financial Services Act consequentials | − | − | − |
| **Corporation tax** | | | |
| 29 Reduction in rate of ACT to 27/73rds of the amount of the distribution | − 290 | − 290 | − 130 |
| 30 Reduction in small companies' rate to 27 per cent | * | * | − 45 |
| 31 Harmonisation of payment dates for corporation tax | * | * | + 100 |
| 32 Taxation of indexed gains in full at normal corporation tax rates | * | * | + 80 |
| 33 ACT set-off against tax on companies' gains | * | * | − 20 |
| 34 Dual resident companies — non-allowance of double deduction | * | * | + 125 |
| 35 Foreign withholding tax on interest received by banks | * | * | + 20 |
| 36 Relaxation of set-off of surrendered ACT against ring fence profits | − 20 | − 20 | − 20 |
| 37 ACT set-off against ring fence profits (certain preference share dividends) | − | − | + 15 |
| 38 Building societies — groups of companies and capital gains | * | * | * |
| 39 Pay and File | − | − | − |
| 40 Amendment to controlled foreign companies legislation | + 10 | + 10 | + 10 |
| **Corporation tax and capital gains tax** | | | |
| 41 Financial futures and traded options | − | − | * |

## Direct effect of changes in taxation—*(continued)*

£ million

| | Estimated effect on receipts in: 1987-88 | | 1988-89 |
|---|---|---|---|
| | Changes from a non-indexed base | Changes from an indexed base | Changes from an indexed base |
| **Oil taxation** | | | |
| 42 10 per cent cross field allowance | – 5 | – 5 | – 15 |
| 43 Petroleum revenue tax relief for certain research expenditure | — | — | — |
| 44 Oil allowance — final adjustments | * | * | * |
| **Capital gains tax** | | | |
| 45 Indexation of annual exempt amount | — | — | — |
| 46 Retirement relief | — | — | * |
| **Inheritance tax** | | | |
| 47 Changes to rates and bands | – 90 | – 75 | – 170 |
| 48 Business relief and Unlisted Securities Market | * | * | * |
| 49 Abolition of lifetime charge on interest in possession trust property | * | * | * |
| 50 Heritage maintenance funds | * | * | * |
| 51 Property accepted in lieu of tax | * | * | * |
| **Stamp duties** | | | |
| 52 Changes to stamp duties and the reserve tax | * | * | * |
| **TOTAL INLAND REVENUE** | **–3080** | **–2265** | **–2720** |
| **CUSTOMS AND EXCISE** | | | |
| **Value added tax** | | | |
| 53 Revised treatment of tour operators' margins | — | — | + 20 |
| 54 New rules on deduction of input tax by partly exempt traders | + 300 | + 300 | + 400 |
| 55 Cash accounting for small businesses | – 100 | – 100 | – 10 |
| 56 Increase in registration limits | * | — | — |
| 57 Revised registration requirements | – 15 | – 15 | – 25 |
| 58 Annual accounting for small businesses | — | — | – 25 |
| 59 Simplified retail schemes | — | — | — |
| 60 Removal of loophole on imported services | * | * | + 5 |
| 61 Reliefs for charities | – 5 | – 5 | – 5 |
| **Excise duties** | | | |
| 62 No change in rate of spirits duty | — | – 25 | – 30 |
| 63 No change in rate of beer duty | — | – 60 | – 70 |
| 64 No change in rate of duty on cider and perry | — | * | * |
| 65 No changes in rates of wine and made-wine duties | — | – 20 | – 20 |
| 66 No change in rates of duty on petrol etc | — | – 190 | – 210 |
| 67 No change in rate of duty on derv | — | – 50 | – 55 |
| 68 No change in rates of minor oil duties | — | – 5 | – 5 |
| 69 No change in rates of tobacco products duties | — | – 105 | – 110 |
| 70 Duty differential in favour of unleaded petrol | * | * | * |
| 71 Abolition of on-course betting duty | – 20 | – 20 | – 20 |
| 72 Increase in rates of gaming machine licence duty | + 20 | + 20 | + 20 |
| **TOTAL CUSTOMS AND EXCISE** | **+ 180** | **– 275** | **– 140** |
| **Vehicle excise duty** | | | |
| 73 No change in VED on car, light van and main lorry rates | — | – 95 | – 100 |
| 74 Increases in certain other VED rates | + 5 | + 5 | + 5 |
| 75 Recovery vehicles | * | * | * |
| 76 VED enforcement measures | * | * | + 5 |
| **Other** | | | |
| 77 Bus fuel grants | — | + 5 | + 5 |
| **TOTAL VED AND OTHER** | **+ 5** | **– 85** | **– 85** |
| **TOTAL CHANGES IN TAXATION** | **–2895** | **–2625** | **–2945** |

* = Negligible — = Nil † Details of measure subject to consultation, so no estimate possible at present

# ANNEX

**How the figures have been calculated**

The table gives the direct effects of changes in taxation. Estimates are rounded to the nearest £5 million. "Negligible" means less than £3 million.

The direct effect of a tax change is the difference between the yield of the tax which would arise on the basis of the rates of tax, allowances, etc prevailing before the Budget (the pre-Budget regime) and the yield after the changes proposed in the Budget (the post-Budget regime).

For Inland Revenue taxes (and VED) the difference in yield for each tax is generally calculated by applying the pre- and post-Budget tax regimes to the same tax base. This base is the post-Budget base—that is the levels of income, profits etc forecast for future years on the assumption that all the measures proposed in the Budget take effect. In certain cases, however, the difference in yield also takes account of changes in taxpayers' behaviour arising from the tax change where those behavioural changes can be directly attributed to the change in tax.

For Customs and Excise taxes and duties, the calculation takes into account, where possible, the effect of the tax change on the pattern of consumers' expenditure and the resulting impact on other expenditure taxes but makes no allowance for secondary effects: in particular, it is assumed that total consumers' expenditure does not change. A fuller description of the methodology is in Economic Trends, March 1980.

The table shows the expected change in receipts of tax resulting from the Budget proposals. Additional information is provided in the commentary below for those proposals where the effect on tax liabilities in the first complete year to which the change applies (full year effect) is substantially different from the effect on receipts in either 1987-88 or 1988-89; or where the impact of the proposal is expected to build up over a period of years.

The figures in the first column of the table show the direct effect of the Budget proposals on receipts in 1987—88. Budget proposals are compared with a non-indexed base—that is, with the pre-Budget regime of allowances, thresholds and rates of duty at 1986—87 money levels.

The figures in the second column show the direct effect of the Budget proposals on receipts in 1987—88, measured against an indexed base. The indexed base for 1987—88 is obtained by increasing 1986—87 allowances, thresholds and rates of duty by 3.7 per cent, the increase in the RPI over the year to December 1986.

The figures in the third column show the direct effect on receipts in 1988—89, also measured against an indexed base. For this comparison, both the Budget proposals and the indexed base for 1987—88 have been further indexed by the forecast movement in the RPI between the fourth quarters of 1986 and 1987.

The estimates shown in the table do not reflect changes in the tax base arising from changes in money incomes and in the general level of prices and other economic variables which may result from the proposed tax change. These secondary effects are, of course, taken into account in estimating the impact of the tax change on the PSBR. The base for the post-Budget forecast of each tax takes account of the effects, direct and secondary, of all the measures announced in the Budget.

The table does not include certain measures announced and implemented before Budget day. These are the amendment of the material interest test for approved employee shared schemes and other purposes, tax relief for the cost of seconding employees to educational bodies, the tax treatment of invalid care allowance paid to married women, and changes in the pricing and valuation rules for petroleum revenue tax. These measures are reflected in the baseline for costing the effect of tax changes in the Budget.

The remainder of this annex provides a commentary on the Budget proposals in the table. The paragraph numbers refer to the lines in this table.

**Income tax**

1 The basic rate will be reduced from 29 per cent to 27 per cent. The cost figures in the table for this item assume that the changes in items 2—7 have been made first. They include the saving in public expenditure on mortgage interest relief to those below the tax threshold. The effect of the consequential change in the rate of advance corporation tax (ACT) is shown in line 29 of the table.

2 The single person's allowance and the wife's maximum earned income relief will be increased from £2,335 to £2,425 and the married allowance from £3,655 to £3,795.

3 The additional personal allowance and widow's bereavement allowance will be increased from £1,320 to £1,370.

4 The age allowance will be increased for the single person from £2,850 to £2,960 and for the married from £4,505 to £4,675; the age allowance income limit will be increased from £9,400 to £9,800.

5 There will be a new, higher leavel of age allowance for those aged 80 or over. The allowance will be £3,070 for the single person and £4,845 for the married.

6 The blind person's allowance will be increased from £360 to £540. This will cost about £2million per year.

7 The basic rate limit will be increased to £17,900.

8 The threshold for the 45 per cent higher rate will be raised by £200 to £20,400. The thresholds for the 50 per cent, 55 per cent and 60 per cent rates will remain at £25,400, £33,300 and £41,200 respectively.

9 One half of profit-related pay (PRP) paid to a private sector employee under a registered scheme will be relieved from income tax, subject to the lower of two annual limits: where the total PRP exceeds 20 per cent of of total PAYE pay, PRP will be regarded for tax relief purposes as limited to that amount, and the maximum annual amount of PRP which may be taken into account will be £3,000. The cost will depend on take-up. It is likely to build up substantially as tax relief becomes payable on more schemes, and PRP becomes a higher proportion of total pay.

10 For 1988—89, the scale for taxing car benefits in respect of company cars provided for directors, and for employees whose remuneration is at a rate of £8,500 a year or more, will be increased by 10 per cent. No change is proposed for 1988—89 to the scale charges for car fuel benefit, also—from 6 April 1987—used for VAT purposes.

11 Legislation providing for the taxation of supplementary benefit paid to the unemployed and to strikers will be amended to reflect the replacement in 1988 of supplementary benefit by income support.

12 Approved savings-related or discretionary share option schemes will be permitted to enable directors and employees when their company is taken over, to exchange their existing options for options over shares in the acquiring company.

13 The limit on charitable donations qualifying for relief under payroll deduction schemes will be increased to £120 from April 1987.

14 The tax treatment of Lloyd's reinsurance to close will be made consistent with the treatment of provisions for outstanding liabilities made by insurance companies and comparable provisions made by other financial traders. The legislation will first take effect for the Lloyd's 1985 Account which closes at the end of 1987. This is assessable for the year 1985—86, the tax for which does not become payable until 1 January and 1 July 1989. The estimate of receipts depends on the details of the new arrangements, which are still to be established.

15 The Inland Revenue's powers to apportion the income and annual payments of a close company to its participators will be made obligatory (a recent Court case held that they were discretionary).

16 A possible anomaly in the law relating to the taxation of foreign partnerships will be removed to prevent substantial potential revenue loss.

**Income tax and capital gains tax**

17 Relief under the Business Expansion Scheme for investments made in the first half of the tax year will, in part, be able to be claimed against the income of the previous tax year. The special relief for film production, which requires the company to be producing films throughout the three year qualifying period, will be relaxed so that the requirement can be satisfied by the distribution of films produced in this period.

18 The Revenue will be given a limited discretion in certifying offshore funds as distributing funds.

**Income tax and corporation tax**

19 A new tax regime for personal pensions will be introduced to replace and extend the present, broadly similar, legislation for retirement annuities. The estimated cost assumes an initial take-up of 200,000 rising to 400,000 by April 1989.

20 The changes proposed for pensions include some tightening up to guard against exploitation of the tax reliefs and some relaxations, in particular to allow members of occupational schemes to pay additional voluntary contributions to pension plans outside their employer's scheme ("freestanding AVCs"). The estimated overall cost of the package assumes an initial take-up of freestanding AVCs of 250,000 and includes a modest yield from the tightening up measures.

21 A change is proposed in the limit applicable to tax exempt life or endowment business carried on by friendly societies. The present limit of £750 gross sum assured will be changed to £100 annual premium.

22 The PAYE and subcontractor deduction schemes will be slightly amended. In particular, from April 1988 there will be an interest charge where PAYE tax, or an amount that should have been paid under deduction by a contractor, has to be formally determined. The yields shown result largely from earlier payments of tax due.

23 Where certain interest is paid between companies which are members of a group or under common control, it will be treated in all cases as being paid and received on the same day. Without this measure there could be widespread avoidance.

24 The exemption limits for trade union provident funds will be increased from £2,400 to £3,000 (for lump sums) and from £500 to £625 (for annuities).

25 Capital allowances for construction costs of properties provided for letting on assured tenancy terms by "approved bodies" were introduced in 1982 for a period of five years ending 31 March 1987. That period will be extended by a further five years ending 31 March 1992.

26 With effect from 6 April 1987, training costs borne by an employer to equip with new work skills a worker who is to leave his present empoyment will normally no longer be treated as taxable on the employee and the circumstances in which such costs will be allowed in computing the employer's taxable profits will be correspondingly widened.

**Income tax, corporation tax and capital gains tax**

27 Legislation will enable securities quoted on new Recognised Investment exchanges to be treated in the same way as comparable securities quoted on the Stock Exchange.

**Income tax, corporation tax, capital gains tax, inheritance tax and stamp duties**

28 Changes in the tax rules for unit trust are necessary to cater for the definitional and regulatory changes relating to unit trusts introduced in the Financial Services Act.

**Corporation tax**

29 As a consequence of the reduction in the basic rate, the rate of advance corporation tax (ACT) for 1987—88 will be 27/73rds of the amount of the distribution. This reduction in ACT will be balanced by an increase in the subsequent liability to mainstream corporation tax.

30 The small companies' rate of corporation tax for the financial year 1987 will be reduced to 27 per cent.

31 All companies, building societies and other bodies chargeable to corporation tax will be liable to pay the tax nine months after the end of each accounting period. For individual companies etc the change will be phased in over a period of up to three years. The yield in 1988—89 represents a bringing forward of payment dates from 1989—90.

32 Under present law capital gains by companies are reduced by one-seventh before being charged to corporation tax at 35 per cent. Gains realised from Budget day will cease to be reduced. Instead they will be taxed in full (with indexation allowance) at normal corporation tax rates. For small companies, the small companies' rate will apply to gains. The yield represents the difference between receipts at the level of capital gains before the change and receipts at the level of capital gains expected as a result of the change.

33 Credit for the payment of ACT will be allowed against liability for tax on gains realised from Budget day. The cost shown against this measure is extremely tentative.

34 Dual resident companies are companies which are simultaneously resident in two countries. It is proposed that, unless they are trading companies, they should no longer enjoy a deduction in both countries for the interest which they pay.

35 The rules for calculating banks' taxable income from making a loan to a non-resident will be changed so that any tax credit for foreign witholding tax paid or deemed to be paid on the interest they receive may be offset only against UK tax due on the turn on that loan. The yield will build up over time to about £60 million by 1990—91.

36 An effect of Section 16 of the Oil Taxation Act 1975 will be mitigated by allowing limited carry back of ACT surrendered to a ring fence subsidiary by its parent (initially restricted by a monetary ceiling of £10 million per company), or, in the case of a company owned by a consortium which is a 50/50 joint venture, by allowing surrender of ACT to the ring fence consortium company. Provision will be made to prevent the carrying back of ACT giving rise to repayment of ACT under certain repealed provisions.

37 ACT in respect of dividends paid on or after Budget day on certain preference shares where the capital raised has not been used for ring fence purposes will no longer be available for set-off against corporation tax on ring fence profits. Without this measure, there could have been widespread avoidance of the ring fence provisions, possibly costing tens of £million.

38 The capital gains provisions for groups of companies will be amended to include building societies.

39 Under Pay and File companies will estimate and pay their corporation tax on the normal due date without the need for the Inland Revenue to make estimated assessments. Interest will run from the normal due date on tax paid late by the company and on tax repaid to the company. Returns will be due twelve months after the accounting period with automatic penalties for delay. This measure will not be implemented before 1992.

40 The legislation affecting controlled foreign companies is to be amended to prevent avoidance of a UK tax charge on dividends. Without this provision, there could be a significant loss of tax.

**Corporation tax and capital gains tax**

41 The provisions concerned with financial futures dealt in on recognised futures exchanges and with traded options will be amended.

**Oil taxation**

42 Up to 10 per cent of expenditure incurred in developing certain new oil fields will be allowed against a participator's PRT liability in another field. The cost could build up to £40 million in 1989—90, and to £80 million in 1990—91.

43 Research expenditure will be allowed against a participator's PRT liability in any field if, three years after it is incurred, it has not yet become allowable for any field. No cost therefore arises until 1990—91, when it will amount to about £30 million, and £25 million thereafter (taking account of CT clawback).

44 The scope for redistributing oil allowance amongst participators, in order to correct imbalances, will be extended. The cumulative total of oil allowance will be unchanged.

**Capital gains tax**

45 The capital gains tax annual exempt amount is to be increased in accordance with the statutory indexation provisions from £6,300 to £6,600 in the case of individuals, and from £3,150 to £3,300 in the case of most trusts

46 The limit for retirement relief will be increased from £100,000 to £125,000

**Inheritance tax**

47 The estimated full year cost for the proposed rate structure in paragraph 4.13 attributable to transfers in 1987—88 is £220 million, measured against the indexed base.

48 The rate of relief on transfers of holdings of more than 25 per cent and up to 50 per cent in unquoted companies is to be increased from 30 to 50 per cent from Budget day. Minority holdings in Unlisted Securities Market companies will no longer qualify for business relief, but shares in such companies will be treated for all inheritance tax purposes like shares in companies with a full listing. The revenue effect of these changes is likely to be broadly neutral.

49 (a) The charge on transfers made by individuals to interest in possession trusts on or after 17 March 1987 and more than seven years before the death of the transferor will be abolished.

(b) The charge on termination of an interest in possession in settled property in favour of another individual on or after 17 March 1987 and more than seven years before the death of the person beneficially entitled to the interest will be abolished.

(c) An alternative basis will be provided for determing the rate of charge on the termination of an interest in possession in settled property in favour of discretionary trust on or after 17 March 1987.

50 (a) Inheritance tax will not be payable in respect of settled property on the death on or after 17 March 1987 of a person beneficially entitled to an interest in possession in that property if the property becomes subject to the trusts of a qualifying heritage maintenance fund within two years (or if a Court Order is needed, within three years) after the death.

(b) The charge where property formerly subject to an interest in possession leaves a heritage maintenance fund will be altered: if the tax given up when the property entered the maintenance fund was tax on the termination of an interest in possession, the exit charge will be based on the cumulated chargeable transfers of the person whose interest was terminated.

51 (a) The tax satisfied by acceptance of pre-eminent heritage property in lieu of inheritance tax may be calculated, at the option of the offeror, by reference to the value of the property at the date of the offer instead of the value at the date of acceptance.

(b) Where this option is selected, the tax will be regarded as having been paid on the date of the offer and so will not bear interest after that date.

**Stamp duties**

52 Certain technical changes are proposed to the legislation governing stamp duties and the reserve tax.

**VAT**

53 The gross margins earned by tour operators on sales of tours within the European Community will be brought within the scope of VAT with effect from 1 April 1988.

54 The law will be changed to strengthen the rules relating to the deduction of input tax by partly exempt traders; and to exempt the underwriting of, and making of arrangements for, capital issues.

55 Businesses with annual turnover below £250,000 will have the option of accounting for VAT on the basis of payments made and received. It is intended that this system should be introduced on 1 October 1987.

56 The registration limit will be increased to £21,300 per annum and £7,250 per quarter.

57 The time allowed to notify for registration will be extended to 30 days, and it will be made easier to deregister.

58 Businesses with annual turnover below £250,000 will have the option of making a single VAT return each year (instead of the present four) with nine advance payments based normally on the VAT paid in the previous year. This system will be introduced in the second half of 1988. Certain recommendations of the Keith Committee which were due to be implemented in 1988 will, as a result, be deferred until 1989. The cost of deferral will be £25 million in 1988—89 and some £50 million to £75 million in 1989—90.

59 The special schemes for retailers are to be improved and changed in a number of ways.

60 The law will be changed to prevent the avoidance of tax on imported services by exempt businesses.

61 VAT relief for charities will be extended to certain welfare vehicles used by hospices to transport the terminally ill; to specialised location and identification equipment used by rescue and first aid services; to goods donated for export by a charity for relief of distress or animal welfare; to installing or adapting bathroom, washroom or lavatory facilities for the handicapped in charity residential homes; and to drugs and chemicals directly used by a charity in medical care or research.

**Excise duties**

62-69 There will be no changes in the duties on alcoholic drinks, tobacco products and most hydrocarbon oils.

70 The duty on unleaded petrol will be reduced by 5p a gallon (inclusive of consequential VAT).

71 The duty on bets placed on-course at horse and greyhound racetracks will be abolished.

72 The rates of gaming machine licence duty will be increased as follows:

for 5p "amusement with prizes" machines by £30
for 10p "amusement with prizes" machines by £75
for 5p jackpot machines by £75
for 10p jackpot machines by £210

The amount of refund on surrender of a licence will be increased and the arrangements for collecting the duty will be changed.

**Vehicle excise duties**

73 There will be no change in the duties on cars, light vans, taxis, buses, coaches, motor cycles and most lorries.

74 The concessionary rates of duty for farmers' heavy goods vehicles over 7.5 tonnes will be increased by varying amounts as the final stage in the process of bringing them into line with the proportion of average mileage covered by these vehicles on public roads. From 1 January 1988 the rate of duty for trade licences will be increased to £85 for cars and £17 for motor cycles, as the second stage in the process of increasing these rates to the rates for ordinary licences for cars and motor cycles between 150cc and 250cc respectively.

75 From 1 January 1988 a new taxation class will be created for recovery vehicles. The rate of duty will be set at £50.

76 The law will be amended so that, on conviction for VED evasion, the courts will be required to order payment of all back duty due from that offender from the expirty of the last licence or date of acquisition of the vehicle, without regard for any non-use of the vehicle during the period. The maximum penalty for failure to return a licence, issued against a cheque that is subsequently dishonoured, will be increased.

**Other**

77 There will be no change in bus fuel grant.

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# The Economy: Recent Developments and Prospects to mid-1988

The following note and tables are adapted from the *Financial Statement and Budget Report 1987-88* (HMSO, March 1987)(Price £6.90):

**Summary**

The economy has been growing at around 3 per cent since last spring as exports have recovered strongly. For 1986 as a whole, recorded GDP growth was about 2½ per cent. A substantial rise in investment and non-oil exports is forecast for 1987, and GDP is expected to grow by 3 per cent, with manufacturing output rising slightly faster.

Employment has continued to grow, particularly since the middle of 1986. There has been a reversal of the previous rising trend in unemployment, and there are good prospects for a continuing decline this year.

Inflation fell last year to 3½ per cent, its lowest level for nearly 20 years. During 1987, inflation may rise temporarily to a little over 4½ per cent, as last year's movements in petrol prices and in mortgage interest rates affect the year-on-year comparisons. But it is expected to fall back to around 4 per cent by the fourth quarter.

Output in the major industrial countries has been rising by 2½—3 per cent a year since 1984, and is likely to continue at that rate in 1987. Imports by developing countries (other than oil exporters) should rise this year. Markets for UK exports of manufactures may grow a little faster in 1987 than in 1986.

Following the fall in oil prices a year ago, the current account of the balance of payments recorded a deficit of around £1 billion in 1986. Both export and import volumes rose sharply in the second half of last year. A further relatively modest current account deficit of £2½ billion (some ½ per cent of GDP) is forecast for 1987.

The forecast for the UK assumes that fiscal and monetary policies are set within the framework of the MTFS. It makes the conventional assumption of an oil price of $15 a barrel, as in last year's forecast, and assumes that the exchange rate will remain close to its current level.

**Financial conditions**

The dollar fell further during 1986, particularly against the deutschemark and the yen. These changes will, over time, help to reduce the size of the US current account deficit and the Japanese and German surpluses. As paragraph 2.10 above explained, Finance Ministers of six of the leading industrialised nations agreed last month to seek a period of stability in exchange rates. Sterling fell in the summer of 1986, in the wake of the fall in the oil price. It remained steady between October and mid-February, but has since strengthened.

Short-term interest rates in the UK, which rose to nearly 13 per cent in January 1986, fell last spring to around 10 per cent. But with sterling weakening in the summer and autumn and with M0 also indicating an easing of monetary conditions, interest rates were raised to 11 per cent in October; they remained around that level until early March, but have since fallen. Rates in several overseas countries have also been reduced in recent months. Longer-term rates in the UK followed the same broad profile as short-term rates during 1986, falling sharply in the spring and rising in the autumn. In recent weeks they have fallen again, to below 10 per cent.

M0 growth was below the centre of its 2—6 per cent target range in the early months of 1986—87. Its growth quickened from August onwards, reflecting both the falls in interest rates in the spring and the buoyant growth of personal incomes, and moved into the upper half of its target range. More recently it has fallen back again to the middle of its target range.

The growth of £M3 rose to 18 per cent in the early months of 1986—87 and has since remained at about that level. This is some 3 points above the top of its target range, which in turn was set well above the growth of money GDP. Holdings of bank deposits by companies and financial institutions have grown particularly rapidly. The wider aggregates that include building societies' liabilities have grown more slowly, although also at a rate well in excess of the growth of money GDP: the year-on-year growth of PSL2 has been about 13—14 per cent in recent months. Credit has continued to grow strongly, reflecting at least partly the pace of financial innovation and liberalisation.

The growth of broad money must be seen in the context of the strong growth of private sector wealth and strongly positive real interest rates that have made financial assets attractive to hold. Increased competition in financial markets has narrowed the margins between borrowing and lending rates and this has led persons and companies to build up both their liquidity and their borrowing. The considerable increase in liquidity since 1980 appears to have been willingly held, and has been accompanied by lower inflation.

**World economy**

The world economy has been strongly influenced by the fall in oil and other commodity prices, and by the substantial depreciation of the dollar. Lower import prices have helped to reduce inflation in the industrialised countries and stimulated faster growth in real domestic demand. But developing countries—and oil producers in particular—have suffered a sharp deterioration in their terms of trade.

Real GNP in the seven largest OECD countries grew by about 2½ per cent in 1986. Domestic demand grew rather faster, at 3½—4 per cent, with large rises in household incomes and consumers' expenditure. Inflation fell further; and average consumer prices in the seven major countries increased by only 2 per cent in 1986.

Despite the buoyancy of domestic demand in these countries, industrial production has grown only slowly. This has been largely a result of weak export demand, particularly from developing countries, and relatively sluggish growth in investment.

The changes in exchange rates over the last two years are already beginning to have significant effects on trade volumes; but these have not yet been enough to overcome the terms of trade effects (the "J-curve"). As a result, the trade imbalances between the major countries remain large. The surpluses in Japan and Germany have continued to grow, though more slowly; and there has been little sign yet of any substantial reduction in the US current account deficit.

Oil prices fell below $10 per barrel last summer, but rose in the second half of the year following the OPEC meeting in December. They have recently traded in a range of $15—$18 a barrel. Food and industrial materials prices also fell sharply through most of last year, although they recovered slightly in the autumn.

World import volumes are thought to have grown by more than 5 per cent during 1986. This is somewhat faster than in 1985, largely because of a rise in oil trade as the major oil companies rebuild their stocks. Developed countries' exports of manufactures rose by only 3 per cent as buoyant domestic demand in industrialised countries was partially offset by cuts in developing countries' imports.

The outlook for oil prices remains uncertain. The forecast below is based on the assumption that North Sea oil prices average $15 per barrel in 1987—88. Non-oil commodity prices may remain low, with food prices held down by the large surpluses of agricultural production. With rising activity in the major economies, industrial material prices may recover slightly from their current low levels.

Table 1 shows the forecasts for activity and inflation in the major seven industrialised countries, and for world trade. Inflation is expected to remain low, though it may rise a little from last year's level. In the US inflation may increase slightly as the effects of the fall in the dollar feed through, but the corresponding appreciation of the yen and deutschemark should mean that prices in Japan and Germany rise only very slowly, if at all.

**Table 1 World economy**

| | Per cent changes on a year earlier | | | |
|---|---|---|---|---|
| | | Esti-mates | Forecasts | |
| | 1985 | 1986 | 1987 | 1988 H1 |
| Major Seven countries [1]: | | | | |
| Real GNP | 3 | 2½ | 2½ | 3 |
| Real domestic demand | 3 | 3¾ | 3 | 3¼ |
| Industrial production | 3 | 1 | 2½ | 4¼ |
| Consumer prices | 4 | 2 | 2¼ | 2¾ |
| World trade, at constant prices | | | | |
| Total imports | 3½ | 5½ | 3½ | 4½ |
| Trade in manufactures [2] | 4 | 2½ | 3½ | 4 |

[1] US, Japan, Germany, France, UK, Italy and Canada.

[2] Developed countries' exports weighted by UK markets.

These changes in exchange rates and inflation will affect domestic demand and output. In Japan and Germany they are likely to strengthen domestic demand but weaken export demand; in the US, the opposite effects are likely. In aggregate, domestic demand in the major industrial countries is likely to grow less strongly than in 1986. But GNP growth should be much the same, and industrial production should grow rather faster, helped by a recovery in exports.

World trade in manufactures is forecast to grow rather more quickly in 1987 than in 1986, though the pattern may be uneven. Import demand in the US is likely to slow down considerably, and oil producers are likely to cut back their imports further. But imports by Japan and Germany are expected to increase rapidly. Imports by non-oil developing countries seem likely to rise faster in 1987, after showing little change in 1986; despite continuing debt problems for some of these countries, commodity prices and hence export earnings are expected to strengthen during 1987. Growth in total world trade in 1987 is likely to be slower than in 1986, largely because the rebuilding of oil stocks is not expected to continue.

### UK trade and the balance of payments

The UK's competitiveness improved markedly during 1986. Productivity rose fast and the growth of unit labour costs was only a little above that of our main competitors. As a result, the lower exchange rate was almost entirely reflected in improved competitiveness (Table 2). Most of the gain in competitiveness seems likely to be maintained over the year ahead.

**Table 2 The exchange rate and competitiveness***

| | Sterling index (1975=100) | Relative unit labour costs* (1980=100) |
|---|---|---|
| 1984 Q4 | 75 | 80 |
| 1985 Q5 | 80 | 86 |
| 1986 Q4 | 68 | 72 |

*Ratio of UK manufacturing costs to those overseas.

Prices of most imports rose during 1986, as the effects of the depreciation of sterling more than offset generally weak world prices. Export prices also rose, as exporters took advantage of sterling's decline to improve profit margins. Excluding oil, the terms of trade for goods worsened slightly between 1985 and 1986. Little further change seems likely in 1987.

**Table 3 Visible trade**

| | Per cent changes on previous year | | | | | |
|---|---|---|---|---|---|---|
| | All goods | | | Goods less oil and erratic items | | |
| | Export volume | Import volume | Terms of trade* | Export volume | Import volume | Terms of trade* |
| 1985 | 5½ | 3½ | 1½ | 7 | 4 | 1½ |
| 1986 | 3½ | 6 | −5½ | 2½ | 6 | −1 |
| 1987 Forecast | 4 | 7 | 0 | 6 | 8 | ½ |

* The ratio of UK export average values to import average values.

The forecast for visible trade is summarised in Table 3.3

Exports of manufactures have been growing strongly in recent months. Growth had flattened in the final months of 1985 and exports fell briefly in early 1986, in common with those of other main manufacturing countries. But since then they have recovered strongly, and in the three months to January were 6 per cent above their level a year earlier. With rising world trade and the continued benefits of improved competitiveness, manufactured exports should show further strong growth in 1987. Exports of non-manufactures rose rapidly last year, mainly as a result of exceptionally high grain exports (demand for UK grain exports was strong, partly reflecting drought in Southern Europe); grain exports are unlikely to continue at these levels in 1987. Total exports should grow by about 6 per cent, compared with 2½ per cent in 1986.

UK manufactured export volumes appear to have maintained their share of developed countries' exports in 1986. This reinforces the previous evidence, that the declining trend in share of developed countries' exports over the decades up to 1981 has ended.

Non-oil imports were flat in the early part of 1986, but then rose sharply in the second half of the year. More recently, the rate of growth has moderated. Imports are likely to continue to rise in 1987 as domestic activity expands, though improved competitiveness should slow the rate of growth. Non-manufactured imports rose rapidly in 1986, partly reflecting increased imports of foodstuffs; this effect is unlikely to continue in 1987. In total, imports of goods other than oil are forecast to rise by 5 per cent between the second halves of 1986 and 1987.

Britain's surplus on oil trade halved from £8 billion in 1985 to £4 billion in 1986, reflecting the sharp fall in world oil prices and some decline in the volume of net oil exports. North Sea production in 1987 is likely to be somewhat lower than in 1986 and the oil trade surplus slightly smaller.

The surplus on invisibles rose in 1986. Net receipts of interest, profits and dividends (IPD) rose particularly rapidly as a result of the lower payments abroad by North Sea companies and an increase in the surplus on other earnings. The surplus on services fell in 1986, largely due to lower net earnings from tourism. The deficit on transfers was abnormally low last year, reflecting the size and timing of government transactions with the European Community.

The surplus on invisibles is forecast to show a further rise in 1987 with the pound's depreciation during last year helping to increase the sterling value of the earnings on the UK's large stock of foreign assets. The surpluses on services should also benefit from the improvement in UK competitiveness. These higher earnings should more than offset an increase in the transfers deficit to a more normal level.

The current account recorded a £1 billion deficit in 1986 following a surplus of £3 billion in 1985. Lower net oil earnings and an increased deficit on trade in manufactures more than offset an improvement in invisibles. The forecast for 1987 is for a current account deficit of £2½ billion. Details are given in Table 4.

**Table 4 Current account**

£ billion

| | Manu-factures | Oil | Other goods | Invisibles | Current balance |
|---|---|---|---|---|---|
| 1985 | −3 | 8 | −7½ | 5 | 3 |
| 1986 | −5½ | 4 | −7 | 7 | −1 |
| 1987 Forecast | −8 | 4 | −7 | 8½ | −2½ |

The UK's stock of net overseas assets is thought to have risen by the end of 1986 to about £110 billion (equivalent to 28 per cent of GDP: its highest recorded level since the war) compared with £80 billion at the end of 1985. The increase in the sterling value of assets reflects both the strength of world stock markets and the depreciation of sterling last year.

**Demand and activity**

The UK economy continued its steady growth in 1986. But there are uncertainties over the precise estimates of the rate of growth, given the differences between the three separate estimates of GDP (based on measures of expenditure, income and output). The output figures—generally recognised as the most reliable short-term indication—show non-oil growth of over 3 per cent between the end of 1985 and the end of 1986, following a brief pause in late 1985.

As in other industrial countries, consumers' expenditure in the UK grew strongly in 1986 as inflation fell and real incomes rose. UK exports were weak in the first half of the year, but recovered strongly in the second half. Imports had been depressed in the first half of the year but also rose sharply in the second half as the economy gained momentum, with particularly marked rises in imports of capital goods. Output growth in the service industries exceeded growth of manufacturing output for the year as a whole; but manufacturing output rose by over 2 per cent between the two halves of the year as exports recovered.

Real personal disposable income is estimated to have risen by about 4 per cent in 1986, and consumers' expenditure by over 4½ per cent. This implies some further fall in the personal savings ratio which has been declining throughout most of the 1980s. One reason is that with lower inflation households have needed to make less provision for the erosion of their past savings. Another factor has been a decline in the growth of employers' contributions to pension funds as a result of the surpluses that many funds have been showing, reinforced by the provisions of the 1986 Finance Act: these contributions are treated in the national accounts as a part of personal income and saving. The buoyancy of consumers' spending may also owe something to the strength of the stock market. In spite of the fall in the savings ratio, higher asset prices and lower inflation have contributed to an increase of over 50 per cent in persons' net holdings of financial assets since the end of 1983.

Real personal disposable income is forecast to rise by around 3½ per cent in 1987. This is slightly less than in 1986 and reflects some narrowing of the gap between earnings growth and inflation. Though there may be some further decline in the savings ratio, consumers' expenditure is expected to grow more slowly than in 1986, at a little under 4 per cent.

The housing market was buoyant in 1986, and private housing investment, both in new dwellings and in improvements to existing dwellings, grew strongly during the course of the year. Private housing starts were about 8½ per cent higher than in 1985; in Greater London, where the largest increases in house prices have been recorded, private housing starts in 1986 were almost 40 per cent up on a year earlier. These higher starts should be reflected in completions and investment in new dwellings during 1987; private housing investment may rise by around 10 per cent in the year as a whole.

The rate of return earned by non-North Sea industrial and commercial companies (ICCs) continued to rise last year; gross trading profits earned in the North Sea fell by more than half. The outlook for companies is favourable, but further substantial rises in profitability will probably have to depend less on depressed world prices of inputs of materials and fuels, and more on firms containing the costs that are under their own control.

Company sector spending was relatively weak in 1986. North Sea investment has been falling in the face of sharply lower profits. Onshore business investment was affected by the bringing forward of capital spending into 1985 ahead of the final stage of the changes in capital allowances announced in the 1984 Budget.

The prospects are for investment to grow rapidly this year. The DTI investment intentions survey published last December pointed to growth in non-North Sea business investment of about 6 per cent, continuing into 1988. The latest quarterly CBI survey of industrial trends indicated a pick up in investment in manufacturing industry, and the forecast assumes that the DTI's intentions survey projections will be broadly realised. Table 5 provides details of the forecast for total investment and its components.

**Table 5 Gross fixed domestic capital formation**

| | £ billion at 1980 prices | Per cent changes on a year earlier | | |
|---|---|---|---|---|
| | 1985 | 1985 | 1986 | Forecast 1987 |
| Business[1] | 30.5 | 4 | −3 | 4 |
| Private dwellings[2] | 9.3 | −1 | 9 | 8 |
| General government | 6.6 | −5 | 7 | −1 |
| **Total fixed investment** | **46.3** | **2** | **½** | **4** |

[1] Including investment by public corporations
[2] Includes purchases less sales of land by persons, companies and public corporations, other than purchases of council houses.

The economy's stock output ratio fell in 1986 for the sixth successive year. It appears that manufacturers ran down stocks; and though distributors' stock levels rose, the increase was a small one in relation to the increase in the volume of sales. The latest quarterly CBI survey suggested that manufacturers may not now be intending to reduce their stocks of raw materials much further, possibly because of the firmer trend in raw material prices in recent months. An additional source of destocking in 1986 was the exceptionally high exports of grain which reduced the stocks held by the Intervention Board for Agricultural Produce (IBAP).

Stockbuilding is likely to make a positive contribution to growth in 1987, although the forecast is for only a small rise in stocks by the standards of most years in the 1970s, and there is likely to be a further fall in the stock output ratio for the whole economy.

The forecast is for a further year of steady growth in 1987. GDP is expected to grow by 3 per cent, around the rate at which it was growing in the latter part of 1986. Exports and investment are forecast to grow strongly, offsetting some slowing down in consumer spending. The prospects for demand and activity are summarised in Table 6.

**Table 6 Domestic demand and GDP**

| | Per cent changes on a year earlier[1] (at constant prices) | | |
|---|---|---|---|
| | | Forecasts | |
| | 1986 | 1987 | 1988 H1 |
| Domestic demand | 3 | 3½ | 3 |
| Exports of goods and services | 3 (3) | 4 (5) | 2 (4) |
| Imports of goods and services | 6 (5½) | 6 (7) | 2½ (3) |
| Domestic production: GDP[2] | 2½ | 3 | 2½ |

1 Non-oil shown in brackets.
2 Average measure.

The recovery in manufacturing output seen in the second half of 1986 is forecast to continue, helped by rising exports (Table 7). Construction output also rose quite strongly during 1986, and should benefit further from the expected strength of private investment in buildings during 1987.

**Table 7 Real output**

| | Per cent changes on a year earlier | | |
|---|---|---|---|
| | | Forecasts | |
| | 1986 | 1987 | 1988 H1 |
| GDP | 2½ | 3 | 2½ |
| Non-North Sea output | 2½ | 3½ | 3 |
| Manufacturing output | ½ | 4 | 3 |

## Inflation

Both retail and producer output price inflation remain close to the lowest levels experienced since the 1960s. The RPI rose by 3½ per cent in 1986, compared to a rise of 6 per cent in 1985. The annual inflation rate reached a low point of 2.4 per cent in July and August: most of its subsequent rise has reflected changes in mortgage interest rates.

The rate of increase of producer output prices has also fallen significantly since the start of 1986, although it has started to edge up again recently, reflecting in part the fall in sterling that took place during the summer and early autumn.

Pay increases in the private sector have fallen slightly in recent months. Settlements in manufacturing industry recorded by the CBI have shown a fall of about 1½ per cent since 1985, although settlements in the private sector as a whole, including those outside manufacturing, may have fallen by less than this. This decline in pay settlements has not yet been reflected in lower recorded growth in average earnings. The current annual rate of growth of earnings reflects settlements made over the whole of the last year (the majority of them still dating from the period when settlements were running at a higher rate than they now are), and is also affected by overtime working, which has risen slightly since the second quarter of 1986.

In spite of the continuing relatively fast growth of earnings, unit labour costs in manufacturing have probably changed only a little since the first quarter of 1986 as productivity has risen sharply. Between 1985 and 1986 unit labour costs in manufacturing rose by about 5 per cent. For the first time since 1983 unit labour costs in manufacturing in the UK are expected in 1987 to rise no faster than those in the other major industrial nations.

The lower pay settlements recorded in recent months should lead to lower growth in earnings. Nevertheless employees will enjoy a further substantial rise in real earnings in 1987. The high rate of productivity growth currently being recorded should contain the growth in unit labour costs to below 4 per cent for the non-oil private sector as a whole, and to around 1½ per cent for manufacturing industry.

**Table 8 Costs in manufacturing**

| | Per cent changes on a year earlier | | | |
|---|---|---|---|---|
| | Unit labour costs | Cost of materials and fuel[1] | Estimated total costs[2] | Output prices[1] |
| 1984 | 3 | 8½ | 5 | 5½ |
| 1985 | 4 | 4½ | 4½ | 6½ |
| 1986 | 5 | −10½ | 0 | 4½ |
| 1987 Forecasts | 1½ | 3 | 2 | 4 |

[1] Producer prices excluding food, drink and tobacco.
[2] Including costs of bought in services.

The figures in Table 8 suggest that profit margins in manufacturing have widened markedly in recent years. It seems likely that industry will hold on to the gains it made last year with the help of falling input costs, and profit margins may widen further during 1987 given the forecast low growth in unit labour costs. In the longer run the higher level of profitability should lead to more investment, greater capacity, higher productivity, and hence lower inflationary pressure.

The year-on-year rate of inflation is likely to continue to edge up over the next few months, perhaps rising temporarily to a little over 4½ per cent. This will mainly reflect the relative movements in 1986 and 1987 of petrol prices (which fell during the first half of 1986 to a low point in July and early August) and mortgage interest rates. But inflation should then fall back in the second half of the year, to around 4 per cent in the fourth quarter (for details, see Table 9). The tax and price index (TPI) is expected to show a much smaller increase than the RPI during 1987, peaking at around 3 per cent during the summer, and probably falling to around 2 per cent by the fourth quarter.

**Table 9 Retail price index**

| | | Per cent changes on a year earlier | | |
|---|---|---|---|---|
| | | | Forecasts | |
| | *Weights in 1986* | 1986 Q4 | 1987 Q4 | 1988 Q2 |
| Food | *18½* | 3¼ | 2½ | 3 |
| Nationalised industries[1] | *6* | 3½ | 2 | 5 |
| Housing | *14½* | 7 | 9 | 7 |
| Other | *61* | 2½ | 3½ | 3¼ |
| **Total** | *100* | 3½ | 4 | 4 |

[1] Including water.

The GDP deflator measures the price of domestic value added—principally unit labour costs and profits per unit of output—and excludes import prices. It is sensitive to movements in North Sea profits, which may have fallen by more than half in the current financial year: as a result the deflator for GDP at market prices may have risen by only 3 per cent in 1986—87. Given the assumption of a $15 oil price and with the further rise in non-North Sea profits now foreseen, the GDP deflator may rise rather faster in 1987-88 than in the previous year, perhaps by around 4½ per cent.

**Productivity and the labour market**

Results from the 1984 Census of Employment became available in December. These showed that the change in the number of employees since the last Census in 1981 had been very close to provisional estimates based on the results of successive Labour Force Surveys. Results from the 1986 Labour Force Survey have led to minor upward revisions to figures for employees, and to a downward revision to the figure for growth in self-employment between mid-1985 and mid-1986. Growth since March 1983 in the employed labour force in Great Britain is now estimated at 1,040,000. Table 10 shows changes in employment over the last three years for which figures are available.

**Table 10 Employment**

| | Thousands, change in GB seasonally adjusted | | | | |
|---|---|---|---|---|---|
| | Employees in employment | | Self employed | HM Forces | Total in employment |
| | Male | Female | | | |
| September 1983 to September 1984 | − 23 | +190 | +235 | +3 | +406 |
| September 1984 to September 1985 | + 47 | +196 | + 90 | − 2 | +330 |
| September 1985 to September 1986 | − 25 | +126 | + 38* | − 3 | +136 |

* Figure for self-employment growth since June 1986 is a projection based on self-employment growth over the previous five years.

Growth in employment averaged only about 20,000 a quarter in the first half of 1986, reflecting the period of sluggish output growth at the end of 1985 and in early 1986. The third quarter saw employment growing at almost three times this rate as the economy quickened again. Recent monthly figures for manufacturing employment point to a further pick up in total employment growth in the fourth quarter.

While confirming earlier figures for the total number of employees the Census results show some differences from the previous figures in the composition of changes in employment. Full-time female employment has risen by much more, and part-time female employment by much less than previously estimated; employment outside manufacturing has risen more than previously thought while manufacturing employment has shown a corresponding greater decline. The estimate of productivity growth in manufacturing since the 1979 cyclical peak has been raised by about ½ per cent a year on average. Underlying growth in manufacturing productivity now seems to be back to the rate experienced in the 1960s.

**Table 11 Output per head of the employed labour force**

| | Per cent changes | | | | | |
|---|---|---|---|---|---|---|
| | Annual averages | | | | | |
| | 1964-73 | 1973-79 | 1979-86 | 1983 Q4 to 1984-Q4[1] | 1984 Q1[1] to 1985 Q4 | 1985 Q4 to 1986 Q4[3] |
| Manufacturing | 3¾ | ¾ | 3½ | 3¼ | 2¼ | 4¾ |
| Non-manufacturing[2] | 3 | ½ | 1¼ | 1¾ | 1¼ | 2¾ |
| Whole economy | 2¾ | 1¼ | 2 | 2 | 1 | 2½ |
| Non-North Sea economy | 2¾ | ½ | 1¾ | 2 | 1¼ | 2¾ |

1 Figures for 1984 Q4 are adjusted for the estimated effect of the coal strike.
2 Excludes public services and North Sea oil and gas extraction.
3 Partly forecast.

Seasonally adjusted adult unemployment in the United Kingdom fell by over 100,000 in the six months to January, the largest six month fall since 1973. The continued strength of the UK economy means that employment growth is likely to pick up further during the next year, and the outlook for a continuing fall in unemployment is promising. The training and counselling measures announced and implemented over the past year are helping the long-term unemployed in particular. A sustained major reduction in unemployment will continue to depend on moderation in pay settlements.

## Forecast and outturn

Table 12 compares the main elements of the forecast published in the 1986 FSBR with the outturn or latest estimate:

**Table 12 Forecast and outturn**

| | 1986 FSBR forecast | Latest estimate/ forecast | Average errors from past forecasts |
|---|---|---|---|
| Total gross domestic product; per cent change between 1985 and 1986 | 3 | 2½ | ¾ |
| RPI: per cent increase between the fourth quarters of 1985 and 1986 | 3½ | 3½* | 1½ |
| Money GDP, per cent change between 1985-86 and 1986-87 | 6¾ | 6 | 1¼ |
| Current account of the balance of payments in 1986, £ billion | 3½ | –1 * | 3 |
| PSBR, financial year 1986-87 £ billion | 7 | 4 | 5 |

* Outturn

Inflation in the fourth quarter of 1986 was in line with the forecast made a year ago. GDP growth has probably been a little below forecast, although the data on which latest estimates for 1986 are based are still very uncertain. Non-oil tax revenues have grown faster than forecast, and the PSBR in 1986-87 is likely to turn out about £3 billion below last year's forecast. The largest error made last year was on the current account; the main factors here were that growth in UK export markets turned out well below what had been expected a year ago while the terms of trade worsened more than forecast.

This year's forecast is summarised in Table 13.

## Risks and uncertainties

No forecast is complete without an indication of error margins. Table 13 sets out the average errors from past forecasts, alongside the forecasts themselves. These average errors provide an indication of possible errors in the current forecast. Those items which represent the relatively small balance between large flows in either direction are particularly subject to error. For example, the flows on either side of the PSBR, including the revenues of the public corporations, are about £200 billion; and for the current account of the balance of payments exceed £150 billion.

**Table 13 The prospects: summary**

| | Forecast | Average errors from past forecasts[1] |
|---|---|---|
| **A. Output and expenditure at constant 1980 prices** | per cent changes 1986 to 1987 | percentage points |
| Domestic demand | 3½ | ¾ |
| of which: | | |
| Consumers' expenditure | 4 | 1 |
| General government consumption | 1 | 1 |
| Fixed investment | 4 | 2¼ |
| Change in stockbuilding (as per cent of level of GDP) | ½ | ¾ |
| Exports of goods and services | 4 | 2½ |
| Imports of goods and services | 6 | 2½ |
| Gross domestic product: total | 4 | ¾ |
| : manufacturing | 3 | 2 |
| **B. Inflation** | | |
| *Retail prices index* | per cent changes | |
| 1986Q4 to 1987Q4 | 4 | 1½ |
| 1987Q2 to 1988Q2 | 4 | 2¼ |
| *Deflator for GDP at market prices* | per cent changes on a year earlier | |
| Financial year 1986-87 | 3 | ¾ |
| Financial year 1987-88 | 4½ | 1¾ |
| **C. Money, GDP at market prices** | per cent changes on a year earlier | |
| Financial year 1986-87 | 6 | 1¼ |
| Financial year 1987-88 | 7½ | 1½ |
| **D. Balance of payments on current account** | £ billion | |
| 1987 | — 2½ | 3 |
| 1988 first half (at an annual rate) | — 2 | 3½ |
| **E. PSBR** | £ billion[2] | |
| Financial year 1986-87 | 4 (1%) | 1 (¼%) |
| Financial year 1987-88 | 4 (1%) | 5 (1¼%) |

[1] The errors relate to the average differences (on either side of the central figure) between forecast and outturn. The method of calculating these errors has been explained in earlier publications and government forecasts (see Economic Progress Report June 1981). The calculations of average errors are based on forecasts made between 1975 and 1985. The errors are after adjustment for the effects of major changes in fiscal policy that were not allowed for in the forecasts.

[2] Per cent of GDP at market prices shown in brackets.

## Table 14 Constant price forecasts of expenditure, imports and gross domestic product [1]

£ billion at 1980 prices, seasonally adjusted

| | Consumers' expenditure | General government consumption | Total fixed investment | Exports of goods and services | Change in stocks | Total final expenditure | *Less* Imports of goods and services | *Less* Adjustment to factor cost | *Plus* Statistical adjustment | Gross domestic product at factor cost | GDP index (average estimate) 1980 = 100 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1982 | 138.3 | 49.6 | 39.4 | 63.3 | - 1.1 | 289.4 | 59.5 | 30.4 | 0.5 | 199.9 | 100.3 |
| 1983 | 143.6 | 50.5 | 41.7 | 64.7 | 0.7 | 301.2 | 68.2 | 31.5 | - 0.2 | 206.7 | 103.7 |
| 1984 | 146.7 | 50.9 | 45.5 | 69.1 | - 0.1 | 312.1 | 68.6 | 32.6 | 1.8 | 212.7 | 106.7 |
| 1985 | 152.0 | 51.0 | 46.3 | 73.1 | 0.6 | 323.0 | 70.7 | 34.0 | 1.4 | 219.8 | 110.2 |
| 1986 | 159.2 | 51.6 | 46.6 | 75.3 | 0.6 | 333.2 | 74.8 | 35.0 | 2.1 | 225.5 | 113.1 |
| 1987 | 165.2 | 52.1 | 48.4 | 78.4 | 1.4 | 345.5 | 79.4 | 36.3 | 2.4 | 232.2 | 116.5 |
| 1985 H1 | 75.0 | 25.5 | 23.3 | 36.7 | 0.4 | 161.0 | 35.2 | 16.7 | 0.5 | 109.5 | 109.9 |
| H2 | 76.9 | 25.5 | 23.0 | 36.4 | 0.2 | 162.0 | 35.5 | 17.2 | 0.9 | 110.2 | 110.6 |
| 1986 H1 | 78.6 | 25.5 | 23.3 | 36.7 | 0.4 | 164.5 | 35.9 | 17.2 | 0.6 | 112.0 | 112.3 |
| H2 | 80.6 | 26.0 | 23.3 | 38.7 | 0.2 | 168.8 | 39.0 | 17.8 | 1.5 | 113.5 | 113.9 |
| 1987 H1 | 81.9 | 26.0 | 24.0 | 39.0 | 0.6 | 171.6 | 39.3 | 18.0 | 1.2 | 115.5 | 115.8 |
| H2 | 83.3 | 26.1 | 24.4 | 39.5 | 0.7 | 173.9 | 40.1 | 18.3 | 1.2 | 116.7 | 117.1 |
| 1988 H1 | 84.9 | 26.2 | 24.7 | 39.7 | 0.6 | 176.3 | 40.3 | 18.6 | 1.1 | 118.5 | 118.9 |
| | Per cent changes | | | | | | | | | | |
| 1984 to 1985 | *3½* | *0* | *2* | *6* | — | *3½* | *3* | *4* | — | *3½* | *3½* |
| 1985 to 1986 | *4½* | *1* | *½* | *3* | — | *3* | *6* | *3* | — | *2½* | *2½* |
| 1986 to 1987 | *4* | *1* | *4* | *4* | — | *3½* | *6* | *4* | — | *3* | *3* |
| 1987 H1 to 1988 H1 | *3½* | *1* | *3* | *2* | — | *2½* | *2½* | *3* | — | *2½* | *2½* |

[1] GDP figures in the table are based on "compromise" estimates of gross domestic product, reflecting, for the past, average movements in constant price expenditure, output and income estimates of GDP. Percentage changes are calculated from unrounded levels and then rounded to half per cent. Figures for 1987 H1 and beyond are forecasts. Figures for periods up to the end of 1986 are based mainly on the national accounts published earlier this year (covering periods up to 1986 Q3) and incorporate some revised and later data and forecasts. A full set of national accounts, to end 1986, was published by the Central Statistical Office on 20 March.

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| Gas (see also Energy) | 24,26 | | |
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| Gross domestic fixed capital formation (see also Fixed investment) | 14,16,20,60 | | |
| Gross domestic product | 6 | Central Statistical Office | Monthly Digest of Statistics |
| And components of final expenditure | 8 | | |
| In relation to output | 28 | | |
| In relation to stocks | 22 | | |
| *Per capita* | 14 | | |
| Gross national product *per capita* | 14 | Central Statistical Office | Not published elsewhere |
| Gross trading profits of companies (see also Companies) | 60 | | |
| Hire purchase debt | 12 | Department of Trade and Industry | Monthly Digest of Statistics<br>British Business<br>Financial Statistics |
| Hours worked | 36 | Department of Employment | Monthly Digest of Statistics<br>Employment Gazette |
| Housing | | | |
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| Commitments and advances on new dwellings | 20 | Building Societies Association | Financial Statistics |
| Consumers' expenditure on housing | 10 | Central Statistical Office | Monthly Digest of Statistics |
| Fixed investment in dwellings | 16,20 | | |
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| Starts and completions | 20 | Scottish Development Department | Housing and Construction Statistics |
| Imports | | | |
| Of goods | | Department of Trade and Industry | Monthly Digest of Statistics |
| Unit value index | 44 | | British business |
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| Volume index | 44 | | |
| Of goods and services in relation to total final expenditure | 8 | Central Statistical Office | Monthly Digest of Statistics |
| Price competitiveness | 46 | Department of Trade and Industry | Not published elsewhere |
| Incomes | | Central Statistical Office | Monthly Digest of Statistics |
| Company income (see also Companies) | 60 | | |
| Income from employment as a percentage of total domestic income (see also Wages: Earnings) | 14 | | |
| Personal disposable income | 10 | | |
| *Per capita* | 14 | | |
| Personal income before tax | 10 | | |
| Total domestic income | 14 | | |
| Industrial and commercial companies (see also Companies) | 60 | | |
| Industrial production: index of output | 5,26 | Central Statistical Office | Monthly Digest of Statistics |
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| By selected industries | 26 | | |
| In relation to output | 28 | | |
| In relation to stocks (manufacturing industries) | 22 | | |
| Inter-bank 3-month rate (see also Interest rates) | 66 | | |
| Interest rates | 66 | Central Statistical Office<br>Bank of England<br>HM Treasury<br>Building Societies Association<br>*Financial Times*<br>Institute of Actuaries<br>Faculty of Actuaries | Financial Statistics |
| British government securities long-dated (20 years) yield | | | |
| Building Societies Association recommended share rate | | | |
| Eurodollar 3-month rate | | | |
| *Financial Times* index of industrial ordinary shares | | | |
| Inter-bank 3-month rate | | | |
| Local authorities 3-month deposit rate | | | |
| London clearing banks base rate and 7-day deposits | | | |
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| Manufacturing industry (see Banking; Employees in employment; Fixed investment; Hours worked; Industrial production; Output per person employed; Output per person hour; Stocks; Wage rates; Wages and salaries) | | | |
| Money stock | 5,52,54 | Bank of England | Financial Statistics |
| Motor vehicles | | | |
| Consumers' expenditure on cars and motor-cycles | 10 | Central Statistical Office | Monthly Digest of Statistics |
| New car registrations | 12 | Department of Transport | Monthly Digest of Statistics |
| Production of passenger cars and commercial vehicles: total and for export | 32 | Department of Trade and Industry | British business |
| National disposable income | 6 | Central Statistical Office | |
| Official reserves | 5,50 | HM Treasury | Financial Statistics<br>Monthly Digest of Statistics |
| Orders received | | | |
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| Producer price index: input and output | 5,42 | Department of Trade and Industry | Monthly Digest of Statistics<br>British business |
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| Relative wholesale prices (as measure of trade competitiveness) | 46 | Department of Trade and Industry | Not published elsewhere |
| Retail price index | 5,42 | Department of Employment | Monthly Digest of Statistics<br>Employment Gazette |
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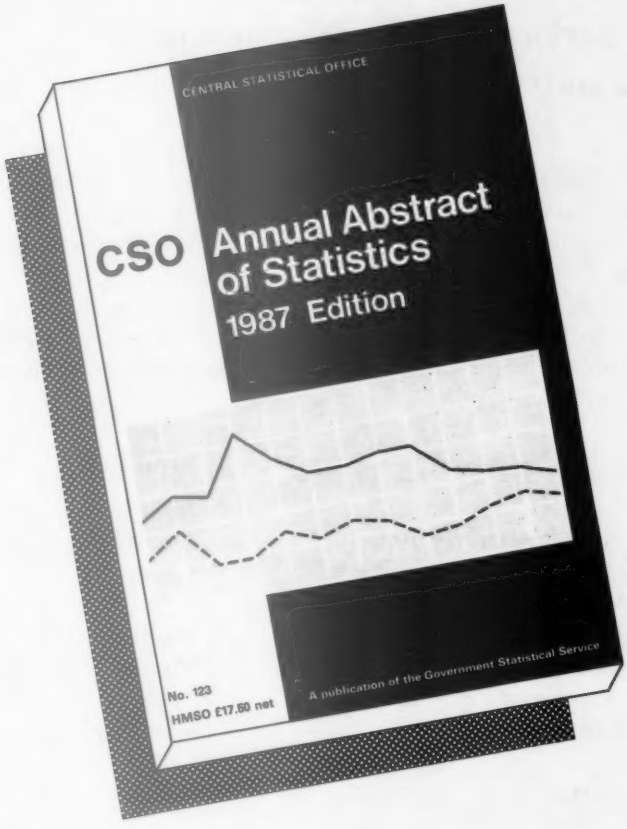


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| | The economy: recent developments and prospects to mid-1986 |
| *May* | Commodity flow accounts for the United Kingdom |
| *July* | Revisions to quarterly estimates of GDP |
| *August* | Research and development in the United Kingdom in 1983 |
| | Measuring public expenditure |
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